

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

JUN 07 2010

PUBLIC SERVICE  
COMMISSION

In the matter of:

THE APPLICATION OF EAST KENTUCKY NETWORK )  
LIMITED LIABILITY COMPANY FOR THE ISSUANCE )  
OF A CERTIFICATE OF PUBLIC CONVENIENCE AND ) CASE No 2010-00052  
NECESSITY TO CONSTRUCT A TOWER IN PERRY )  
COUNTY, KENTUCKY).

East Kentucky Network, LLC, d/b/a Appalachian Wireless, was granted authorization to provide cellular service in the KY-10 Cellular Market Area (CMA452) by the Federal Communications Commission (FCC). FCC license is included as Exhibit 1. East Kentucky Network, LLC merger documents were filed with the Commission on February 2, 2001 in Case # 2001-022.

In an effort to improve service in Perry County, East Kentucky Network, LLC pursuant to KRS 278.020 Subsection 1 and 807 KAR 5:001 Section 9 is seeking the Commission's approval to construct a 180 foot self-supporting tower on a tract of land approximately 1.45 miles NNE of Junction Hwy 7 & 699 in Perry County, Kentucky (37°08'19.57"N 83°04'42.09"W). A map and detailed directions to the site can be found in Exhibit 8.

Exhibit 2 is a list of all Property owners or residents according to the property valuation administrator's record who reside or own property within 500 feet of the proposed tower in accordance with the Public Valuation Administrator. No other properties are contiguous with East Kentucky Network's property.

Pursuant to 807 KAR 5:063 Section 1 (1)(L) and Section 1(1)(n)(1) all affected property owners according to the property valuation administrator's record who reside or own property within 500 feet of the proposed Tower were notified by certified mail return receipt requested of East Kentucky Network, LLC's proposed construction and informed of their right to intervene.

They were given the docket number under which this application is filed. Enclosed in Exhibit 2 is a copy of that notification.

Perry County has no formal local planning unit. In absence of this unit the Perry County Judge Executive's office was notified by certified mail, return receipt requested of East Kentucky Network Limited Liability Company's proposal and informed of their right to intervene. They were given the docket number under which this application is filed. Enclosed in Exhibit 3 is a copy of that notification.

Notice of the location of the proposed construction was published in the Hazard Herald's March 3<sup>rd</sup> edition and will run for two (2) weeks. Enclosed is a copy of that notice in Exhibit 3. The Hazard Herald is the newspaper with the largest circulation in Perry County.

A geologist was employed to determine soil and rock types and to ascertain the distance to solid bedrock. The geotechnical report is enclosed as Exhibit 4.

A copy of the tower design information is enclosed as Exhibit 5. The proposed tower has been designed by engineers at Allstate Tower, Inc. and will be constructed under their supervision. Their qualifications are evidenced in Exhibit 5 by the seal and signature of the registered professional engineer responsible for this project.

The tower will be erected by S & S Tower Services of St. Albans, West Virginia. S & S Tower Services has vast experience in the erection of communications towers.

FAA approval and Kentucky Airport Zoning Commission notice of no permit required are included as Exhibit 6.

No Federal Communications Commission approval is required prior to construction of this facility. Once service is established from this tower we must immediately notify the Federal Communications Commission of its operation. Prior approval is needed only if the proposed

facility increases the size of the cellular geographic service area. This cell site will not expand the cellular geographic service area.

East Kentucky Network, LLC will finance the subject Construction with earned surplus in its General Fund.

Estimated Cost of Construction	\$ 350,000.00
Annual Operation Expense of Tower	\$ 12,500.00

Two notice signs meeting the requirements prescribed by 807 KAR 5:063, Section 1(2), measuring at least two (2) feet in height and four (4) feet in width and containing all required language in letters of required height, have been posted, one at a visible location on the proposed site and one on the nearest public road. The two signs were posted on February 18, 2010 and will remain posted for at least two weeks after filing of this application as specified.

Enclosed in Exhibit 9 is a copy of East Kentucky Network LLC's lease agreement with deed description to the site.

The proposed construction site is located on a reclaimed site from a building destroyed by fire several years ago. Prior to construction the site was a vacant lot.

East Kentucky Network LLC's operation will not affect the use of nearby land nor its value. No more suitable site exists in the area. A copy of the search area map is enclosed in Exhibit 8. No other tower capable of supporting East Kentucky Network LLC's load exists in the general area; therefore, there is no opportunity for co-location of our facilities with anyone else.

Enclosed, and filed as Exhibit 10 is a survey of the proposed tower site signed by a Kentucky registered professional engineer.

Exhibit 12 contains a vertical sketch of the tower supplied by Coleman Engineering.

1	FCC License
2	Copies of Cell Site Notices to Land Owners
3	Notification of County Judge Executive and Newspaper Advertisement
4	Universal Soil Bearing Analysis
5	Tower Design
6	FAA Approval & Kentucky Airport Zoning Commission no permit required notice
7	Audited Financial Statements
8	Driving Directions from County Court House and Map to Suitable Scale
9	Lease Agreement and Deed Description for Proposed Site
10	Survey of Site Signed/Sealed by Professional Engineer Registered in State of Kentucky
11	Site Survey Map with Property Owners identified in Accordance with PVA of County
12	Vertical Profile Sketch of Proposed Tower



ULS License

**Cellular License - KNKN809 - East Kentucky Network, LLC d/b/a Appalachian Wireless**

Call Sign KNKN809 Radio Service CL - Cellular  
 Status Active Auth Type Regular

**Market**

Market CMA452 - Kentucky 10 - Powell Channel Block B  
 Submarket 0 Phase 2

**Dates**

Grant 08/28/2001 Expiration 10/01/2011  
 Effective 11/11/2009 Cancellation

**Five Year Buildout Date**

10/17/1996

**Control Points**

**1** US Route 23, FLOYD, Harold, KY  
 P: (606)478-2355

**Licensee**

FRN 0001786607 Type Limited Liability Company

**Licensee**

East Kentucky Network, LLC d/b/a Appalachian Wireless  
 101 Technology Trail Ivel, KY 41642  
 ATTN Gerald Robinette, Manager  
 P:(606)477-2355  
 F:(606)874-7551

**Contact**

Lukas, Nace, Gutierrez & Sachs, LLP  
 Pamela L Gist Esq  
 8300 Greensboro Drive McLean, VA 22102  
 P:(703)584-8665  
 F:(703)584-8695  
 E:pgist@fcclaw.com

**Ownership and Qualifications**

Radio Service Mobile  
 Type  
 Regulatory Status Common Carrier Interconnected Yes

**Alien Ownership**

The Applicant answered "No" to each of the Alien Ownership questions.

**Basic Qualifications**

The Applicant answered "No" to each of the Basic Qualification questions.

**Demographics**

Race

Ethnicity

Gender





**EXHIBIT II: LIST OF PROPERTY OWNERS:**

**Statement Pursuant to Section 1 (1) (I) 807 KAR 5:063**

**Section 1 (1)(I) 1.** The following is a list of every property owner who according to property valuation administrator's records, owns property within 500 feet of the proposed tower and each have been: notified by certified mail, return receipt requested, of the proposed construction,

**Section 1 (1)(I) 2.** Every person listed below who, according to the property valuation administrator's records, owns property within 500 feet of the proposed tower has been: Given the Commission docket number under which the application will be processed: and

**Section 1 (1)(I) 3.** Every person listed below who, according to property valuation administrator's records, owns property within 500 feet of the proposed tower has been: Informed of his right to request intervention.

**LIST OF PROPERTY OWNERS**

Whitaker Bank, Inc.  
P.O. Box 1136  
Hazard, KY 41702

Hazvest Corporation  
941 North Main Street  
P.O. Box 927  
Hazard, KY 41701

EAST KENTUCKY NETWORK  
101 TECHNOLOGY TRAIL  
IVEL, KY 41642  
PHONE: (606) 874-7550  
FAX: (606) 874-7551  
EMAIL: INFO@EKN.COM  
WEBSITE: WWW.EKN.COM



VIA: U.S. CERTIFIED MAIL

PUBLIC NOTICE

February 23, 2010

Whitaker Bank, Inc.  
P.O. Box 1136  
Hazard, KY 41702

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2010-00052)

East Kentucky Network, LLC d/b/a Appalachian Wireless has applied to the Public Service Commission of Kentucky for a Certificate of Public Convenience and Necessity to construct and operate a new facility to provide cellular telecommunications service in Perry County. The facility will include a 180 foot self-supporting tower with attached antennas extending upwards, and an equipment shelter located on a tract of land approximately 1.45 miles NNE from the Junction of Hwy 7 & 699 in Perry County, Kentucky. A map showing the location of the proposed new facility is enclosed. This notice is being sent to you because you may own property or reside within a 500' radius of the proposed tower or within a 200' radius of the proposed or existing access road.

The Commission invites your comments regarding the proposed construction. You also have the right to intervene in this matter. The Commission must receive your initial communication within 20 days of the date of this letter as shown above.

Your comments and request for intervention should be addressed to: Executive Director's Office, Public Service Commission of Kentucky, P.O. Box 615, Frankfort, KY 40602. Please refer to Case No. 2010-00052 in your correspondence.

Sincerely,

A handwritten signature in cursive script that reads "Lynn Haney".

Lynn Haney  
Staff Accountant

Enclosure 1

EAST KENTUCKY NETWORK  
101 TECHNOLOGY TRAIL  
IVEL, KY 41642  
PHONE: (606) 874-7550  
FAX: (606) 874-7551  
E-MAIL: INFO@EKN.COM  
WEBSITE: WWW.EKN.COM



VIA: U.S. CERTIFIED MAIL

PUBLIC NOTICE

February 23, 2010

Hazvest Corporation  
941 North Main Street  
P.O. Box 927  
Hazard, KY 41701

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2010-00052)

East Kentucky Network, LLC d/b/a Appalachian Wireless has applied to the Public Service Commission of Kentucky for a Certificate of Public Convenience and Necessity to construct and operate a new facility to provide cellular telecommunications service in Perry County. The facility will include a 180 foot self-supporting tower with attached antennas extending upwards, and an equipment shelter located on a tract of land approximately 1.45 miles NNE from the Junction of Hwy 7 & 699 in Perry County, Kentucky. A map showing the location of the proposed new facility is enclosed. This notice is being sent to you because you may own property or reside within a 500' radius of the proposed tower or within a 200' radius of the proposed or existing access road.

The Commission invites your comments regarding the proposed construction. You also have the right to intervene in this matter. The Commission must receive your initial communication within 20 days of the date of this letter as shown above.

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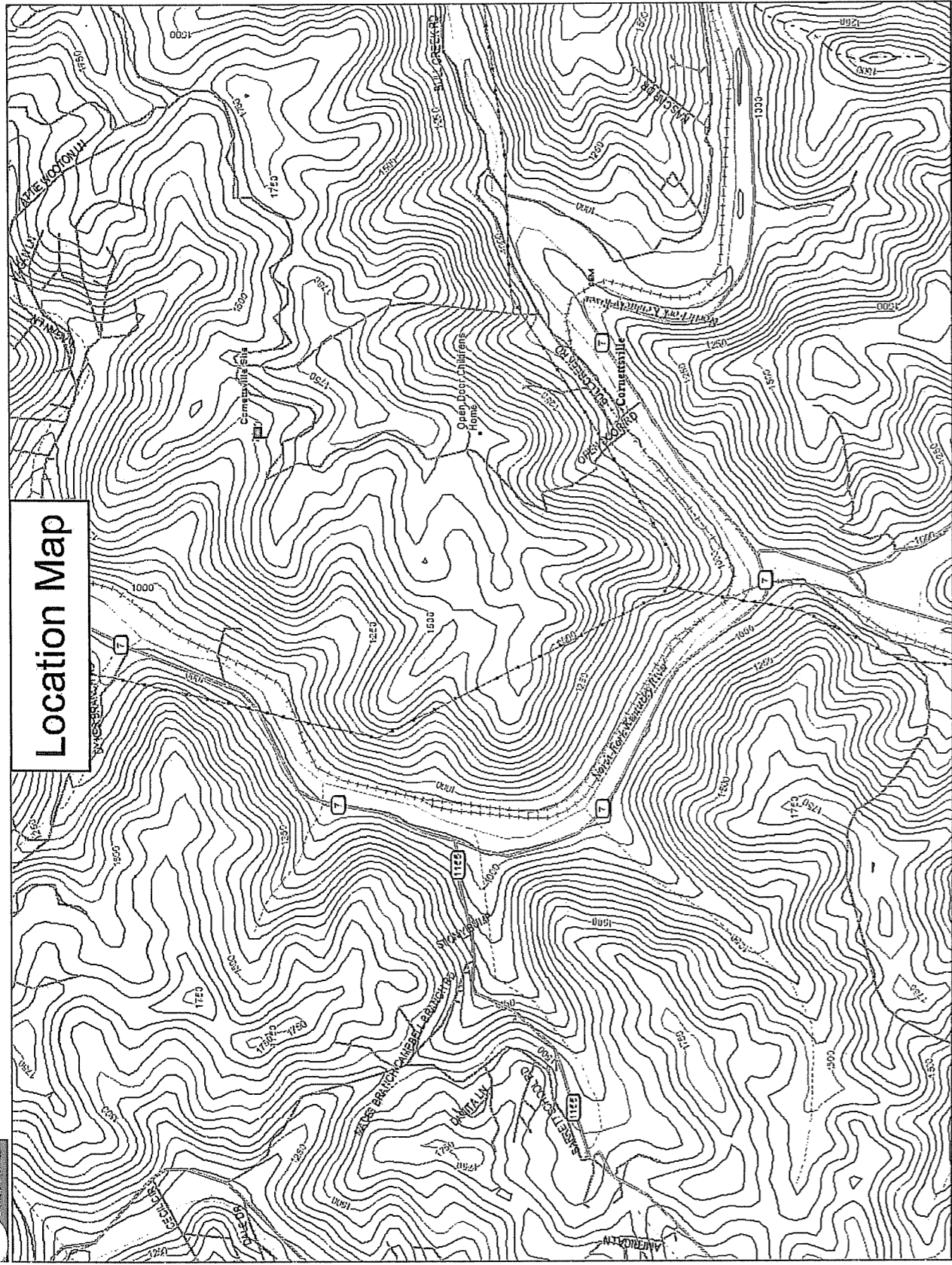
Sincerely,

A handwritten signature in cursive script that reads "Lynn Haney".

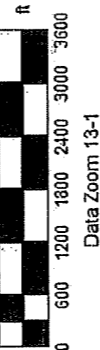
Lynn Haney  
Staff Accountant

Enclosure 1

# Location Map



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 www.delorme.com





EAST KENTUCKY NETWORK  
101 TECHNOLOGY TRAIL  
IVEL, KY 41642  
PHONE: (606) 874-7550  
FAX: (606) 874-7551  
: INFO@EKN.COM  
SITE: WWW.EKN.COM



VIA: U.S. CERTIFIED MAIL

February 23, 2010

Denny Ray Noble, Judge Executive  
P.O. Box 210  
Hazard, KY 41702

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2010-00052)

East Kentucky Network, LLC d/b/a Appalachian Wireless has applied to the Public Service Commission of Kentucky for a Certificate of Public Convenience and Necessity to construct and operate a new facility to provide cellular telecommunications service in Perry County. The facility will include a 180 foot self-supporting tower with attached antennas extending upwards, and an equipment shelter located on a tract of land approximately 1.45 miles NNE from the Junction of Hwy 7 & 699 in Perry County, Kentucky. A map showing the location of the proposed new facility is enclosed. This notice is being sent to you because you are the County Judge Executive of Perry County.

The Commission invites your comments regarding the proposed construction. You also have the right to intervene in this matter. The Commission must receive your initial communication within 20 days of the date of this letter as shown above.

Your comments and request for intervention should be addressed to: Executive Director's Office, Public Service Commission of Kentucky, P.O. Box 615, Frankfort, KY 40602. Please refer to Case No. 2010-00052 in your correspondence.

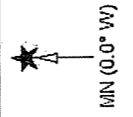
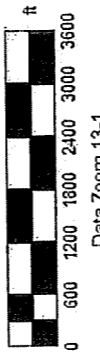
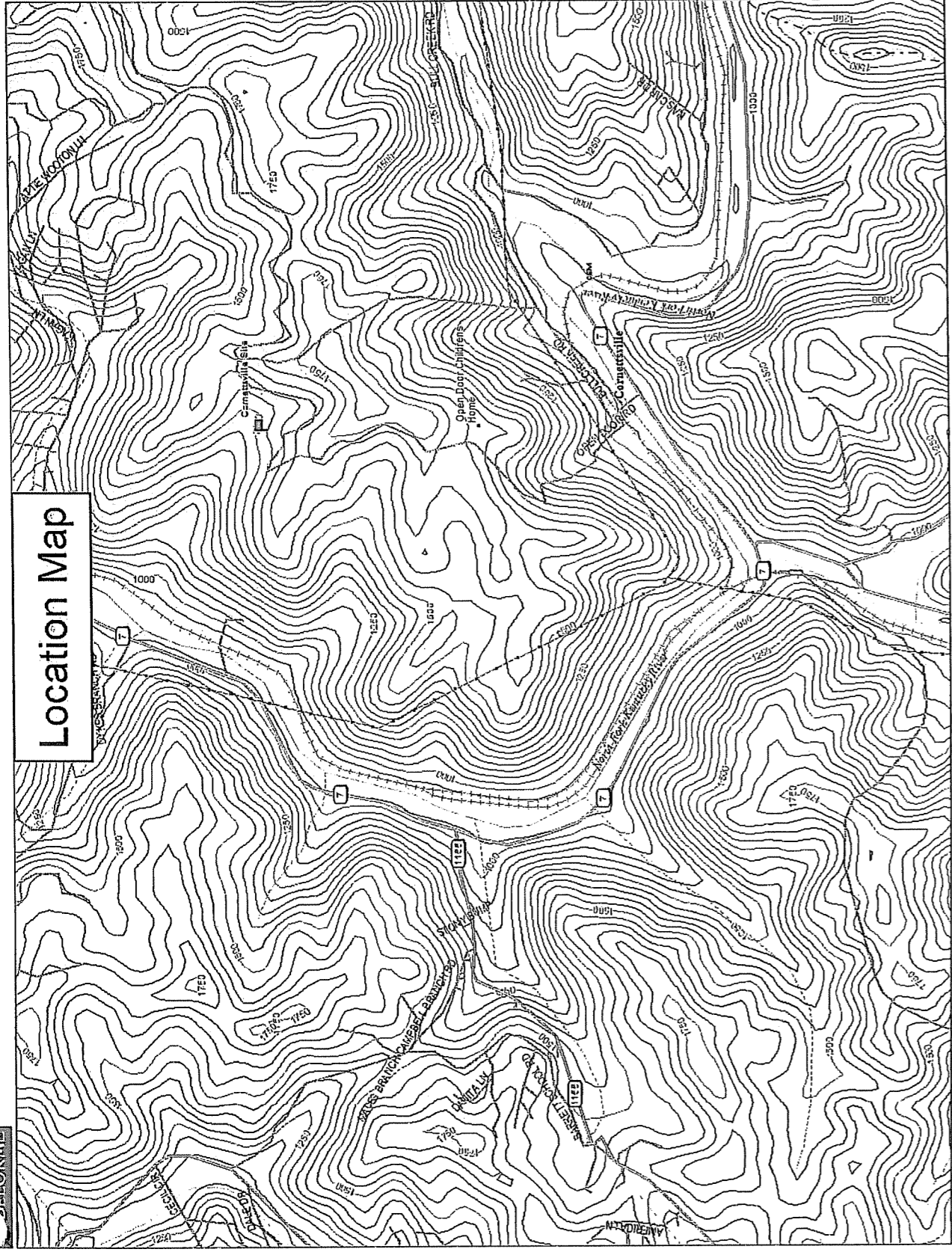
Sincerely,

A handwritten signature in cursive script that reads "Lynn Haney".

Lynn Haney  
Staff Accountant

Enclosure

# Location Map



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 www.delorme.com

dba Appalachian Wireless  
101 Technology Trail  
Ivel, KY 41642  
Phone: 606-874-7550  
Fax: 606-791-2225

EAST KENTUCKY  
NETWORK



**To:** The Hazard Herald  
Attn: Ad Manager

**From:** Lynn Haney  
Staff Accountant

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**Date:** February 23, 2010

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**Re:** PUBLIC NOTICE ADVERTISEMENT      **Pages:** 1 (including this cover)

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**Please place the following Public Notice Advertisement in the Hazard Herald for the next two weeks.**

PUBLIC NOTICE:  
RE: Public Service Commission of Kentucky (CASE NO. 2010-00052)  
Public Notice is hereby given that East Kentucky Network, LLC, dba Appalachian Wireless has applied to the Kentucky Public Service Commission to construct a cellular telecommunications tower on a tract of land located approximately 1.45 miles NNE from the Junction of Hwy 7 & 699 in Perry County, Kentucky. The proposed tower will be a 180 foot self-supporting tower with attached antennas. If you would like to respond to this notice, please contact the Executive Director, Public Service Commission, 211 Sower Boulevard, PO Box 615, Frankfort, Kentucky 40602. Please refer to Case No. 2010-00052.

If you have any questions about the placement of the above mentioned notice, please call me at 606-791-2375, ext. 1007.

Thank you,

Lynn Haney  
Staff Accountant

The message above and the information contained in the documents transmitted are confidential and intended only for the person(s) named above. Dissemination, distribution or copying of this communication by anyone other than the person(s) named above is prohibited. If you have received this communication in error, please notify us immediately by telephone and return the original message to us at the address listed above via regular mail. Thank you.



**Lynn Haney**

---

**From:** Jenny Jones [heraldclass@windstream.net]  
**Sent:** Tuesday, February 23, 2010 10:04 AM  
**To:** lhaney@ekn.com  
**Subject:** Re: Legal Advertisement  
**Importance:** High

Hello,  
I did receive the attached ad. ☐ The ad will start on March 3rd and run for two weeks. ☐ Please let me know if you any more information.

Thanks,  
Jenny  
On Feb 23, 2010, at 7:48 AM, Lynn Haney wrote:

Please place the attached legal advertisement in your newspaper for the next 2 weeks. ☐  
Please send back confirmation that you received the notice and let me know the dates the ad will run.

☐

Feel free to contact me with any questions.

☐

Thank you,

☐

Lynn Haney

Staff Accountant-Fixed Assets

East Kentucky Network, LLC

dba Appalachian Wireless

☐

(606) 791-2375 ☐ ext. 1007

(606) 791-2225 (fax)

☐

<Public Notice Advertisement.doc>



**WENDELL R. HOLMES, P.G.**

120 Church Street  
Whitesburg, KY 41858  
(606) 438-7250

February 22, 2010

**Cornettsville Tower Site**

**Purpose:**

A site assessment was conducted for Appalachian Wireless on a tract of land located in Perry County near Cornettsville, Kentucky. The site of the proposed tower is now a forestland. The purpose of this investigation was to determine the depth to bedrock and of what type of rock the bedrock consists.

**Site Investigation:**

The trenching method was used to determine the type of bedrock material at the proposed tower site. A Caterpillar 320 excavator was used to expose the bedrock material. It is approximately 1.50 feet to the sandstone bedrock. (See attached page for descriptions of materials encountered.) The terrain in Perry County is moderately to very steep. The tower site is located on a point just north of the North Fork of the Kentucky River, approximately eight tenths of a mile northeast of Cornettsville in Perry County. The sandstone formation below the tower site is approximately 10.00 feet thick, based on the information obtained from the site investigation and geological maps of the area.

**Conclusions:**

The proposed tower site is located on a point in the area. The sandstone bedrock on the proposed tower site is part of the Breathitt Formation, and is middle to lower Pennsylvanian in age. Tests were not conducted to determine the load-bearing strength of the bedrock. However, it is apparent that the tower will be constructed on the sandstone bedrock formation.

The field work for this site was performed by Wendell R. Holmes, using generally accepted methods in the practice of geological science.

Wendell R. Holmes



WENDELL R. HOLMES, P.G.

120 Church Street  
Whitesburg, Ky. 41858  
(606)438-7250

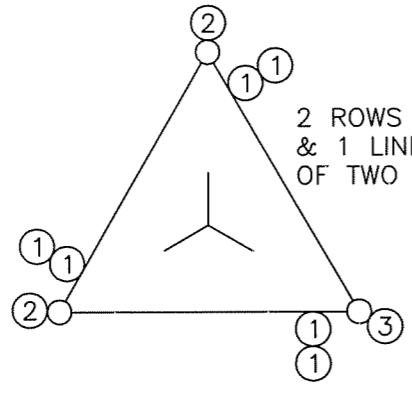
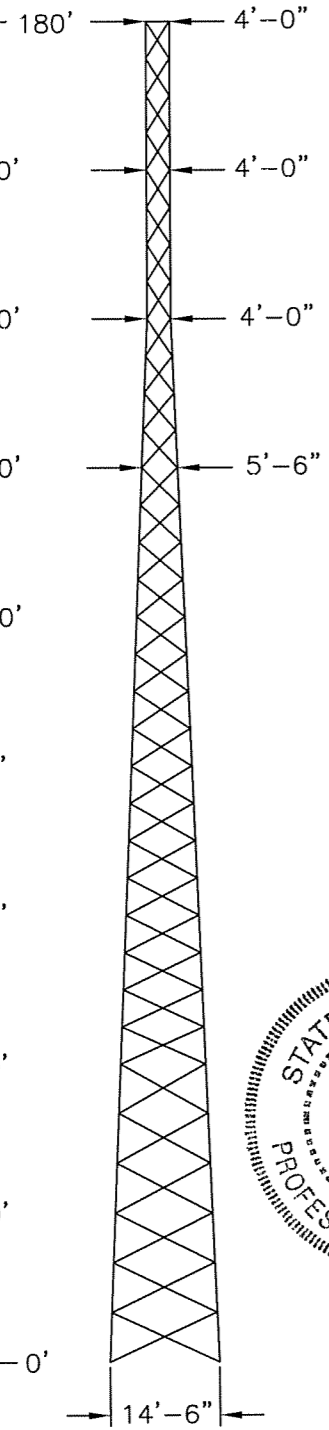
Geologist Log

Location: Cornettsville Tower Site

Unit Thickness	Total depth	Strata	Description
1.50'	1.50'	Soil	Yellow and Brown, with Sandstone & Plant Fragments
10.00'	11.50'	Sandstone	Brown, gray and Weathered



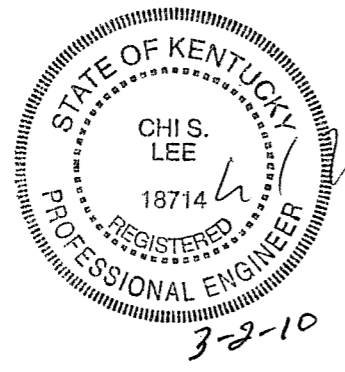
LEG DIA.	Ø4"	Ø3.75"	Ø3.5"	Ø3.25"	Ø3"	Ø2.75"	Ø2.5"	Ø1.75"
DIAGONALS	L2.5" x .1875"	L2" x .1875"	N/A	N/A	A	A	A	A
GIRTS	Ø.75"	Ø1.25"	Ø.625"	Ø.5"	Ø.5"	Ø.5"	Ø.5"	Ø.5"
BRACE BOLTS	Ø1.25"	Ø1.25"	Ø1.25"	Ø1.25"	Ø1.25"	Ø1.25"	Ø1.25"	Ø1.25"
FLANGE BOLTS	Ø1.25"	Ø1.25"	Ø1.25"	Ø1.25"	Ø1.25"	Ø1.25"	Ø1.25"	Ø1.25"
# OF BAYS	3 BAY : X-BRACED	3 BAY : X-BRACED	3 BAY : X-BRACED	3 BAY : X-BRACED	3 BAY : X-BRACED	3 BAY : X-BRACED	3 BAY : X-BRACED	3 BAY : X-BRACED



PLAN VIEW REF:  
 1) (6) FEEDLINES  
 2) (1) FEEDLINES  
 3) STEP BOLTS

BASE REACTIONS:(FACTORED)  
 TOTAL SHEAR = 33 KIPS  
 AXIAL LOAD = 41 KIPS  
 UPLIFT / LEG = 279 KIPS  
 COMP. / LEG = 306 KIPS  
 O.T. MOMENT = 3668 FT-K

SYMBOL LIST:  
 A) L1.75" x .1875"



DESIGN NOTES:  
 1) ALL LEGS ARE SOLID ROUND ASTM A-572 GRADE :  $F_y \geq 50$  KSI.  
 2) ALL BRACE MATERIAL IS ASTM A-36 :  $F_y \geq 36$  KSI.  
 3) ALL BRACE AND FLANGE BOLTS ARE A325-X.  
 4) (8) Ø1.5" x 6'-0" LONG A-36 ANCHOR BOLTS PER LEG.  
 5) TOWER IS DESIGNED FOR A 90 MPH WIND SPEED IN AND A 30 M.P.H. WIND SPEED WITH 0.75" OF ICE IN ACCORDANCE WITH THE TIA/EIA-222-G.

ANTENNA  
 (12) 4' x 1' CELLULAR PANELS  
 (12) 4' x 1' CELLULAR PANELS  
 (12) 4' x 1' CELLULAR PANELS  
 (1) 6' SOLID DISHES  
 (1) 6' SOLID DISHES

FEEDLINE  
 (12) 1.625"  
 (12) 1.625"  
 (12) 1.625"  
 (1) 1.625"  
 (1) 1.625"

--- STEP BOLTS UTILIZED FOR CLIMBING WITH SAFETY CLIMB DEVICE.  
 --- SEE PLAN VIEW FOR FEEDLINE DISTRIBUTION.



P.O. BOX 25  
 HENDERSON, KY 42419  
 PHONE: (270) 830-8512  
 FAX: (270) 830-8475

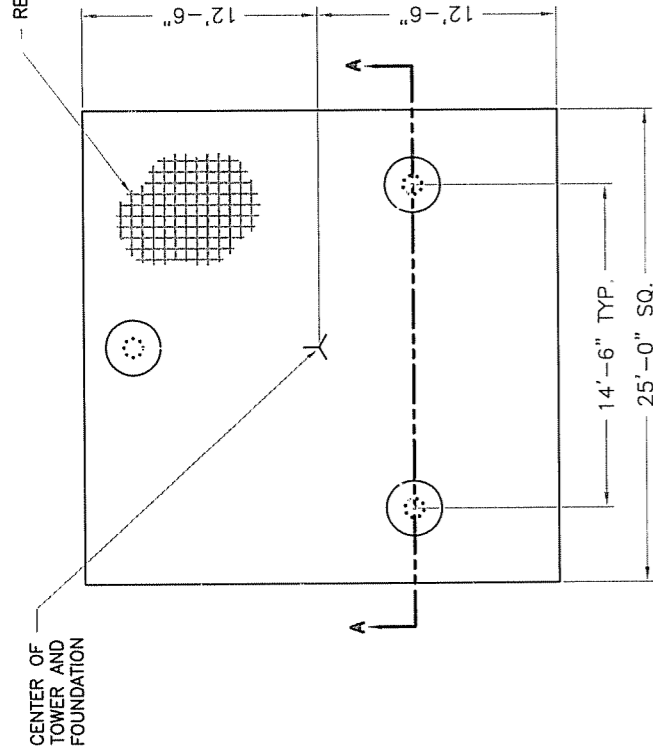
SCALE: N.T.S.	PROPRIETARY STATEMENT: THIS DRAWING IS THE PROPERTY OF ALLSTATE TOWER CO. IT IS NOT TO BE REPRODUCED OR COPIED IN ANYWAY WITHOUT PRIOR WRITTEN CONSENT OF ALLSTATE TOWER CO.
TOLERANCE BANDS ALL DIMENSIONS ARE ±1/16" ALL ANGULAR DIM ARE ±1/2° UNLESS OTHERWISE NOTED	CUSTOMER: APPALACHIAN WIRELESS
DESCRIPTION: 180' SELF SUPPORT TOWER	DRAWN BY: W.MILLER
LOCATION: KNOTT COUNTY, KY	DATE: 02/26/2010
SITE: CORNETTSVILLE	REV: X
APPROX. WEIGHT 22.14 KIPS	PROPOSAL #: S.S.T. DESIGN DRAWING
	REV. DATE: X
	JOB NO. 29243F
	SHEET A



P.O. BOX 25  
 HENDERSON, KY 42419  
 PHONE: (270) 830-8512  
 FAX: (270) 830-8475

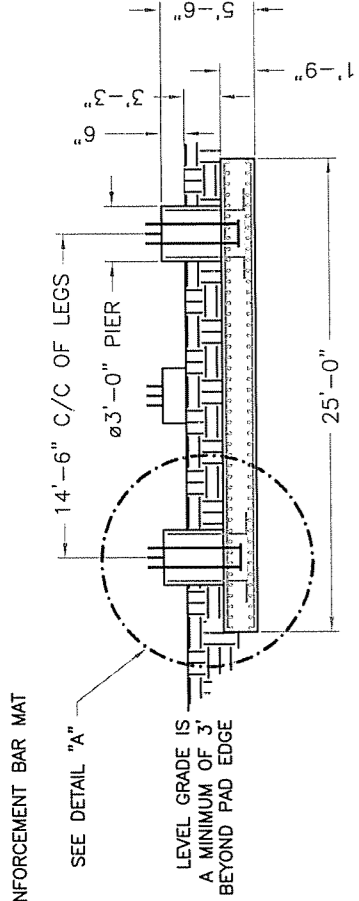
SCALE: N.T.S.  
 TOLERANCE BANDS  
 ALL DIMENSIONS ARE ±1/16"  
 ALL ANGULAR DIM ARE ±1/2" UNLESS OTHERWISE NOTED  
 APPROX. WEIGHT N/A

PROPRIETARY STATEMENT: THIS DRAWING IS THE PROPERTY OF ALLSTATE TOWER CO. IT IS NOT TO BE REPRODUCED OR COPIED IN ANYWAY WITHOUT PRIOR WRITTEN CONSENT OF ALLSTATE TOWER CO.  
 CUSTOMER: APPALACHIAN WIRELESS  
 DESCRIPTION: PAD & PIER FOUNDATION DESIGN  
 LOCATION: KNOTT COUNTY, KY  
 SITE: CORNETTSVILLE  
 FILE NAME: S.S.T. DESIGN DRAWING  
 DRAWN BY: W.MILLER  
 DATE: 03/01/2010  
 REV: X  
 REV. DATE: X  
 JOB NO. 29243F  
 SHEET B



PLAN VIEW

TOTAL VOLUME OF CONCRETE = 43.5 YD<sup>3</sup>



SECTION A-A

(8) ø1.5" X 6'-0" OVERALL LENGTH ANCHOR BOLTS W/ 3/4" THK BEARING PLATE AT THE BOTTOM OF THE ANCHOR BOLT CLUSTER (5' MIN. ANCHOR BOLT EMBEDMENT).

USE EPOXY BONDING AGENT WHEN POURED SEPARATELY

(7) #9 VERTICAL BARS W/ #4 TIES AT 16" ON CENTER

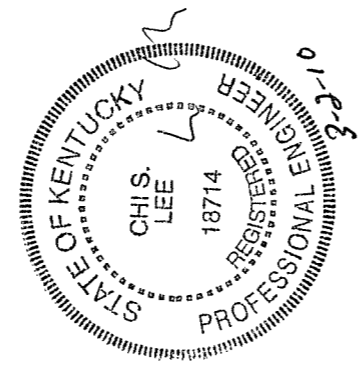
(26) #9 HORIZONTAL BARS X 24'-6" LONG EQUALLY SPACED EACH WAY AT TOP AND BOTTOM OF MAT. (TOTAL = 104)

DETAIL "A"

- FOUNDATION INSTALLATION/DESIGN NOTES:**
- THIS FOUNDATION IS DESIGNED TO MEET ALL STANDARDS SET FORTH BY ACI 318; AMERICAN CONCRETE INSTITUTE, BUILDING CODE REQUIREMENTS FOR STRUCTURAL CONCRETE, ANSI/TIA/EIA 222-G; STRUCTURAL STANDARDS FOR STEEL ANTENNA TOWERS AND ANTENNA SUPPORTING STRUCTURES.
  - THIS FOUNDATION IS DESIGNED UTILIZING THE GEOTECHNICAL REPORT PERFORMED BY WENDELL R. HOLMES, P.G.; DATED 2-22-2010. THE FOUNDATION CONTRACTOR SHALL INSTALL THE FOUNDATIONS IN ACCORDANCE WITH THE RECOMMENDATIONS OF THE GEOTECHNICAL REPORT.
  - ALL WORK PERFORMED FROM THESE DRAWINGS SHOULD BE BY QUALIFIED CONTRACTORS EXPERIENCED IN TOWER FOUNDATION CONSTRUCTION.
  - ALL FOOTING EXCAVATIONS SHALL BE MANUALLY CLEANED PRIOR TO PLACING CONCRETE. COMPACT THE EXPOSED SOIL SURFACE AND ANY GRANULAR FILL UNDER THE FOUNDATION TO 95% OF THE MODIFIED PROCTOR DENSITY.
  - ALL CONCRETE SHALL HAVE A MINIMUM COMPRESSIVE STRENGTH OF 3000 PSI AFTER 28 DAYS. COPIES OF THE CONCRETE CYLINDER TEST REPORTS SHALL BE SENT TO THE RESIDENT ENGINEER / INSPECTOR.
  - MINIMUM CONCRETE COVER FOR REINFORCING BARS SHALL BE 3".
  - FIELD BENDING OR WELDING OF REINFORCEMENT BARS IS NOT PERMITTED.
  - PROVIDE CHAMFERS AT ALL EXPOSED CORNERS OF CONCRETE.
  - BACKFILL NEAR AND AROUND THE FOUNDATIONS SHALL BE A WELL GRADED FILL MATERIAL PLACED IN 8" THICK LAYERS THAT HAS BEEN COMPACTED TO 95% OF THE MODIFIED PROCTOR DENSITY PER ASTM D1557.
  - SOME DETAIL HAS BEEN PURPOSELY OMITTED TO CLARIFY ILLUSTRATION.
  - ALL REBAR TO MEET THE ASTM A615 GRADE 60 SPECIFICATION.
  - TOWER OWNER AGREES FIELD CREW CAN DIG DOWN THROUGH SANDSTONE WITHOUT DIFFICULTY.

- REINFORCEMENT BAR SPLICING:**
- ALL LAP SPLICES SHALL CONFORM TO ACI 318 REQUIREMENTS.
  - REFER TO CHART BELOW WHEN REINFORCEMENT BAR SPLICING IS NECESSARY.

REINFORCING BAR SIZE	LAP SPLICING LENGTH
3	15"
4	17"
5	21"
6	26"
7	30"
8	36"
9	46"
10	58"
11	71"









Federal Aviation Administration  
Air Traffic Airspace Branch, ASW-520  
2601 Meacham Blvd.  
Fort Worth, TX 76137-0520

Aeronautical Study No.  
2010-ASO-2331-OE  
Prior Study No.  
2010-ASO-555-OE

Issued Date: 05/26/2010

Ali Kuzehkanani  
East Kentucky Network, LLC  
8300 Greensboro Drive, Suite 1200  
McLean, VA 22102

**\*\* DETERMINATION OF NO HAZARD TO AIR NAVIGATION \*\***

The Federal Aviation Administration has conducted an aeronautical study under the provisions of 49 U.S.C., Section 44718 and if applicable Title 14 of the Code of Federal Regulations, part 77, concerning:

Structure:	Tower Cornettsville
Location:	Cornettsville, KY
Latitude:	37-08-20.30N NAD 83
Longitude:	83-04-42.20W
Heights:	190 feet above ground level (AGL) 1830 feet above mean sea level (AMSL)

This aeronautical study revealed that the structure does not exceed obstruction standards and would not be a hazard to air navigation provided the following condition(s), if any, is(are) met:

Based on this evaluation, marking and lighting are not necessary for aviation safety. However, if marking and/or lighting are accomplished on a voluntary basis, we recommend it be installed and maintained in accordance with FAA Advisory circular 70/7460-1 K Change 2.

While the structure does not constitute a hazard to air navigation, it would be located within or near a military training area and/or route.

This determination is based, in part, on the foregoing description which includes specific coordinates, heights, frequency(ies) and power. Any changes in coordinates, heights, and frequencies or use of greater power will void this determination. Any future construction or alteration, including increase to heights, power, or the addition of other transmitters, requires separate notice to the FAA.

This determination does include temporary construction equipment such as cranes, derricks, etc., which may be used during actual construction of the structure. However, this equipment shall not exceed the overall heights as indicated above. Equipment which has a height greater than the studied structure requires separate notice to the FAA.

This determination concerns the effect of this structure on the safe and efficient use of navigable airspace by aircraft and does not relieve the sponsor of compliance responsibilities relating to any law, ordinance, or regulation of any Federal, State, or local government body.

This aeronautical study included evaluation of a structure that exists at this time. Action will be taken to ensure aeronautical charts are updated to reflect the most current coordinates, elevation and height as indicated in the case description.

A copy of this determination will be forwarded to the Federal Communications Commission (FCC) because the structure is subject to their licensing authority.

If we can be of further assistance, please contact our office at (847) 294 8084. On any future correspondence concerning this matter, please refer to Aeronautical Study Number 2010-ASO-2331-OE.

**Signature Control No: 704977-126389521**

Carole Bernacchi  
Technician

( DNE )

Attachment(s)  
Frequency Data

cc: FCC

cc: NACO w/map

Frequency Data for ASN 2010-ASO-2331-OE

LOW FREQUENCY	HIGH FREQUENCY	FREQUENCY UNIT	ERP	ERP UNIT
806	824	MHz	500	W
824	849	MHz	500	W
851	866	MHz	500	W
869	894	MHz	500	W
896	901	MHz	500	W
901	902	MHz	7	W
930	931	MHz	3500	W
931	932	MHz	3500	W
932	932.5	MHz	17	dBW
935	940	MHz	1000	W
940	941	MHz	3500	W
1850	1910	MHz	1640	W
1930	1990	MHz	1640	W
2305	2310	MHz	2000	W
2345	2360	MHz	2000	W

**Lynn Haney**

---

**From:** Marty Thacker [m.thacker@tgtel.com]  
**Sent:** Thursday, June 03, 2010 11:21 AM  
**To:** lhaney@ekn.com  
**Subject:** FW: 678 - KAZC study request for the proposed Cornettsville site

---

**From:** Ali Kuzehkanani [mailto:AKuzehkanani@fcclaw.com]  
**Sent:** Friday, February 05, 2010 3:40 PM  
**To:** KYTC Airport Zoning Comm (KYTC)  
**Cc:** Gerald Robinette; Marty Thacker  
**Subject:** RE: 678 - KAZC study request for the proposed Cornettsville site

Thanks

---

**From:** KYTC Airport Zoning Comm (KYTC) [mailto:KYTC.AirportZoningComm@ky.gov]  
**Sent:** Friday, February 05, 2010 3:39 PM  
**To:** Ali Kuzehkanani  
**Subject:** RE: 678 - KAZC study request for the proposed Cornettsville site  
**Importance:** Low

Ali,

This site does not require a permit from the Kentucky Airport Zoning Commission. The site is located beyond the 20,000 feet 100:1 slope from Hazard Airport and does not exceed 200 feet above ground level. Save this email for your records.

Thank you

John Houlihan, Administrator  
Kentucky Airport Zoning Commission

---

**From:** Ali Kuzehkanani [mailto:AKuzehkanani@fcclaw.com]  
**Sent:** Friday, February 05, 2010 11:23 AM  
**To:** KYTC Airport Zoning Comm (KYTC)  
**Cc:** Gerald Robinette; Marty Thacker  
**Subject:** 678 - KAZC study request for the proposed Cornettsville site

Dear Madam/Sir:

Forwarded herewith in accordance with KRS 183.990 and Chapter 50 of Title 602 of the Kentucky Administrative Regulations, is an "Application for Permit to Construct or Alter a Structure" (Form TC 56-50) for a 190-foot communications support structure (Cornettsville) proposed near Cornettsville (Perry), KY. The site is located approximately 0.3 mi (0.5 kilometers) N of Cornettsville (Perry), KY at geographic coordinates (**NAD83**) N 37-08-19.6; W 83-04-42.1.

Attached is a copy of the electronic FAA 7460-1 filing. A copy of the final FAA determination will be provided to you as soon as it is issued.

Please let me know if you have any questions or require any additional information.

6/3/2010

Thank you in advance for your help in this matter.

Regards

***Ali Kuzehkanani***

---

Director of Engineering

**Lukas, Nace, Gutierrez & Sachs, LLP**

8300 Greensboro Drive, Suite 1200

McLean, VA 22102

Direct (703) 584-8667

Mobile (703) 927-1961

Fax (703) 584-8696

Email [ali@fcclaw.com](mailto:ali@fcclaw.com)

Email [akuzehkanani@fcclaw.com](mailto:akuzehkanani@fcclaw.com)



EAST KENTUCKY NETWORK, LLC  
DBA APPALACHIAN WIRELESS

FINANCIAL REPORT

December 31, 2009

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*Jones, Nale & Mattingly PLC*

## INDEPENDENT AUDITOR'S REPORT

To the Members  
East Kentucky Network, LLC  
dba Appalachian Wireless  
Ivel, Kentucky

We have audited the accompanying balance sheets of East Kentucky Network, LLC, dba Appalachian Wireless as of December 31, 2009 and 2008 and the related statements of income, members' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of East Kentucky Network, LLC, dba Appalachian Wireless as of December 31, 2009 and 2008 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Jones, Nale & Mattingly PLC*

Louisville, Kentucky  
February 26, 2010

**EAST KENTUCKY NETWORK, LLC  
DBA APPALACHIAN WIRELESS**

**BALANCE SHEETS  
December 31, 2009 and 2008**

ASSETS	<u>2009</u>	<u>2008</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 2,874,412	\$ 5,145,165
Short-term investments	100,000	100,000
Accounts receivable, less allowance for doubtful accounts of \$1,405,597 in 2009 and \$1,054,283 in 2008	7,806,718	6,246,970
Accounts receivable, members (Notes 5 and 6)	87,192	88,078
Inventory	5,699,380	3,053,445
Prepaid expenses	537,143	411,948
Total current assets	<u>\$ 17,104,845</u>	<u>\$ 15,045,606</u>
 <b>PROPERTY, PLANT AND EQUIPMENT (Note 3)</b>		
Plant in service:		
General support	\$ 27,455,560	\$ 25,380,330
MTSO equipment	22,282,589	20,505,774
Cell equipment	64,198,981	55,340,782
Paging equipment	3,321,068	3,321,068
Fiber ring	7,675,975	7,429,057
Unfinished plant	3,675,759	1,951,193
	<u>\$128,609,932</u>	<u>\$113,928,204</u>
Less accumulated depreciation	57,070,186	48,072,427
	<u>\$ 71,539,746</u>	<u>\$ 65,855,777</u>
 <b>OTHER ASSETS</b>		
Investment in affiliated company, RTFC	\$ 112,712	\$ 112,712
Intangible assets, net of accumulated amortization of \$4,389,605 in 2009 and \$3,707,354 in 2008 (Note 2)	4,578,754	5,261,006
Other	19,712	19,712
	<u>\$ 4,711,178</u>	<u>\$ 5,393,430</u>
	<u>\$ 93,355,769</u>	<u>\$ 86,294,813</u>

The Notes to Financial Statements are an integral part of these statements.

LIABILITIES AND MEMBERS' EQUITY	<u>2009</u>	<u>2008</u>
<b>CURRENT LIABILITIES</b>		
Current maturities of long-term debt (Note 3)	\$ 2,685,714	\$ 3,852,381
Accounts payable	2,033,336	1,772,238
Accounts payable, member (Notes 5 and 6)	35,206	49,579
Accrued expenses	1,519,862	1,208,138
Deferred revenue, advance billings	2,133,743	1,887,230
Customer deposits	574,996	600,872
Total current liabilities	<u>\$ 8,982,857</u>	<u>\$ 9,370,438</u>
LONG-TERM DEBT, less current maturities (Note 3)	<u>\$ 13,559,207</u>	<u>\$ 16,388,735</u>
INTEREST RATE SWAPS (Note 8)	<u>\$ 1,384,261</u>	<u>\$ 2,067,821</u>
<b>MEMBERS' EQUITY</b>		
Members' capital accounts	\$ 70,813,705	\$ 60,535,640
Accumulated other comprehensive (loss)	<u>(1,384,261)</u>	<u>(2,067,821)</u>
	<u>\$ 69,429,444</u>	<u>\$ 58,467,819</u>
	<u><u>\$ 93,355,769</u></u>	<u><u>\$ 86,294,813</u></u>

**EAST KENTUCKY NETWORK, LLC  
DBA APPALACHIAN WIRELESS**

**STATEMENTS OF INCOME  
Years Ended December 31, 2009 and 2008**

	2009	2008
<b>REVENUE</b>		
Retail	\$ 46,125,449	\$ 40,207,998
Roamer	16,777,789	12,592,115
Long distance	195,754	214,296
Paging	488,500	566,677
Equipment sales, cellular	2,198,961	2,248,939
Equipment sales, paging	93,942	35,777
Other	3,649,814	3,299,759
Total revenue	\$ 69,530,209	\$ 59,165,561
<b>EXPENSES</b>		
Cost of cellular service	\$ 15,223,905	\$ 12,861,903
Cost of paging service	339,051	332,386
Cost of equipment sales, cellular	13,508,510	11,656,367
Cost of equipment sales, paging	57,023	56,705
Customer service	1,364,596	1,313,033
Billing	1,657,074	1,383,121
Selling	4,188,213	3,731,205
Maintenance	2,595,663	1,838,940
Utilities	900,421	711,446
Bad debts	473,634	802,158
Cell site rental	244,023	214,620
Taxes and licenses	446,482	965,327
Advertising	3,815,728	2,968,190
General and administrative	3,666,329	3,106,380
Occupancy	632,810	403,800
Depreciation	9,105,095	7,703,016
Amortization	839,546	693,384
Total expenses	\$ 59,058,103	\$ 50,741,981
Income from operations	\$ 10,472,106	\$ 8,423,580
<b>OTHER INCOME (EXPENSE)</b>		
Interest income	\$ 31,040	\$ 56,023
Interest expense	(1,424,984)	(1,242,505)
Universal Service Fund income (Note 7)	7,045,378	6,680,698
	\$ 5,651,434	\$ 5,494,216
Net income	\$ 16,123,540	\$ 13,917,796

The Note to Financial Statements are an integral part of these statements.

**EAST KENTUCKY NETWORK, LLC  
DBA APPALACHIAN WIRELESS**

**STATEMENTS OF MEMBERS' EQUITY  
Years Ended December 31, 2009 and 2008**

	Cellular Services, LLC	Gearhart Communi- cations Company, Inc.	Mountain Tele- communi- cations, Inc.	Thacker- Grigsby Telephone Co., Inc.	Peoples Rural Telephone Coop- erative Corp- oration, Inc.	Total
Balance, January 1, 2008	\$10,044,087	\$10,044,087	\$10,044,086	\$10,044,086	\$10,044,086	\$50,220,432
Comprehensive income:						
Net income	2,783,559	2,783,559	2,783,560	2,783,559	2,783,559	13,917,796
Change in fair value of interest rate swaps	(299,038)	(299,038)	(299,038)	(299,038)	(299,037)	(1,495,189)
Total comprehensive income	\$ 2,484,521	\$ 2,484,521	\$ 2,484,522	\$ 2,484,521	\$ 2,484,522	\$12,422,607
Capital distributions	(835,044)	(835,044)	(835,044)	(835,044)	(835,044)	(4,175,220)
Balance, December 31, 2008	<u>\$11,693,564</u>	<u>\$11,693,564</u>	<u>\$11,693,564</u>	<u>\$11,693,563</u>	<u>\$11,693,564</u>	<u>\$58,467,819</u>
Comprehensive income:						
Net income	3,224,708	3,224,708	3,224,708	3,224,708	3,224,708	16,123,540
Change in fair value of interest rate swaps	136,712	136,712	136,712	136,712	136,712	683,560
Total comprehensive income	\$ 3,361,420	\$ 3,361,420	\$ 3,361,420	\$ 3,361,420	\$ 3,361,420	\$16,807,100
Capital distributions	(1,169,095)	(1,169,095)	(1,169,095)	(1,169,095)	(1,169,095)	(5,845,475)
Balance, December 31, 2009	<u><u>\$13,885,889</u></u>	<u><u>\$13,885,889</u></u>	<u><u>\$13,885,889</u></u>	<u><u>\$13,885,888</u></u>	<u><u>\$13,885,889</u></u>	<u><u>\$69,429,444</u></u>

The Notes to Financial Statements are an integral part of these statements.

**EAST KENTUCKY NETWORK, LLC  
DBA APPALACHIAN WIRELESS**

**STATEMENTS OF CASH FLOWS  
Years Ended December 31, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 16,123,540	\$ 13,917,796
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	9,105,095	7,703,016
Amortization	839,546	693,384
Loss (gain) on disposition of property, plant, and equipment	82,302	(3,723)
Changes in assets and liabilities, net of the effects of investing and financing activities:		
(Increase) in accounts receivable	(1,559,748)	(1,199,357)
(Increase) decrease in accounts receivable, members	886	(8,275)
(Increase) in inventory	(2,645,935)	(74,188)
(Increase) decrease in prepaid expenses	(125,195)	19,911
Decrease in other assets	--	969
Increase in accounts payable	261,098	834,045
Increase (decrease) in accounts payable, member	(14,373)	4,312
Increase in accrued expenses	311,724	84,489
Increase in deferred revenue, advance billings	246,513	381,239
Increase (decrease) in customer deposits	(25,876)	147,402
Net cash provided by operating activities	<u>\$ 22,599,577</u>	<u>\$ 22,501,020</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	\$ (15,028,659)	\$ (19,196,297)
Proceeds from sale of property, plant and equipment	--	11,500
Purchase of intangible assets	--	(1,650,275)
Net cash (used in) investing activities	<u>\$ (15,028,659)</u>	<u>\$ (20,835,072)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Capital distributions	\$ (5,845,475)	\$ (4,790,603)
Proceeds from long-term borrowings	10,200,000	8,250,000
Payments on long-term borrowings	(14,196,195)	(1,758,884)
Net cash provided by (used in) financing activities	<u>\$ (9,841,670)</u>	<u>\$ 1,700,513</u>
Net increase (decrease) in cash and cash equivalents	\$ (2,270,752)	\$ 3,366,461
Cash and cash equivalents:		
Beginning	<u>5,145,165</u>	<u>1,778,704</u>
Ending	<u>\$ 2,874,413</u>	<u>\$ 5,145,165</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash payments for interest	<u>\$ 1,431,014</u>	<u>\$ 1,178,953</u>

The Notes to Financial Statements are an integral part of these statements.

**EAST KENTUCKY NETWORK, LLC  
DBA APPALACHIAN WIRELESS**

**NOTES TO FINANCIAL STATEMENTS**

Note 1. Summary of Significant Accounting Policies

Nature of operations

East Kentucky Network, LLC, dba Appalachian Wireless, is a Kentucky limited liability company formed by the merger of Appalachian Cellular, LLC, Mountaineer Cellular, LLC and East Kentucky Network, LLC on January 1, 2000. The Company is engaged in cellular telephone communications and paging services to residential and commercial customers located in eastern Kentucky. The Company's five members consist of Cellular Services, LLC; Gearheart Communications Company, Inc.; Mountain Telecommunications, Inc.; Peoples Rural Telephone Cooperative Corporation, Inc.; and Thacker-Grigsby Telephone Co., Inc.

Cash

The Company maintains its cash balances, which may exceed the federally insured limit, with several financial institutions. These financial institutions have strong credit ratings and management believes that credit risk related to the accounts is minimal.

Cash equivalents

For purposes of the statement of cash flows, the Company considers temporary investments having original maturities of three months or less to be cash equivalents.

Short-term investments

Certificates of deposit having original maturities between three and nine months are classified as short-term investments, are carried at cost, which approximates fair value, and are held to maturity. Fair value is determined by quoted prices for similar certificates of deposit in active markets.

Inventory

Inventory is composed of cellular telephone equipment, paging equipment, and accessories purchased for resale during the ordinary course of business. The inventory is valued at the lower of cost or market, cost being determined by the first-in, first-out (FIFO) method.

Property, plant and equipment

Property, plant and equipment are recorded at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets.

Investment

The investment in affiliated company is composed of equity certificates in Rural Telephone Finance Cooperative and is reported at cost, which approximates fair value.

## NOTES TO FINANCIAL STATEMENTS

### Note 1. Summary of Significant Accounting Policies (Continued)

#### Intangible assets

The customer lists, non-compete agreements, FCC licenses, bond issuance costs, loan fees and use of name are recorded at cost and are being amortized over the life of the asset by the straight-line method.

#### Recognition of revenue

Cellular service and paging revenues are recognized when earned. Deferred revenue consists of monthly access and feature charges billed one month in advance and recognized as revenue the following month. Revenue from telephones and accessories sold are recognized as revenue upon delivery to the customer.

#### Advertising

Advertising costs are expensed as incurred. At December 31, 2009 and 2008, these costs were \$3,815,729 and \$2,968,190, respectively.

#### Income taxes

Under existing provisions of the Internal Revenue Code, the income or loss of a limited liability company is recognized by the members for income tax purposes. Accordingly, no provision for federal income taxes has been provided for in the accompanying financial statements.

Management evaluates its potential exposures from tax positions taken that have or could be challenged by taxing authorities. These potential exposures result because taxing authorities may take positions that differ from those taken by management in the interpretation and application of statutes, regulations, and rules. There are no tax positions for which the ultimate deductibility is highly uncertain included in the accompanying financial statements.

The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. The Company did not recognize any interest or penalties during the years ended December 31, 2009 and 2008.

#### Use of estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

#### Comprehensive income

Comprehensive income consists of net income and other comprehensive income. Other comprehensive income includes the change in fair value of interest rate swaps which is also recognized as a separate component of equity.



NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

Subsequent events

Management has evaluated subsequent events through February 26, 2010, the date the financial statements were available to be issued.

Reclassification

Certain amounts presented in the prior period have been restated to conform with the current year presentation.

Note 2. Intangible Assets

Intangible assets consist of the following at December 31, 2009:

	<u>Gross Amount</u>	<u>Accumulated Amortization</u>
Customer lists	\$ 5,363,530	\$ (3,225,882)
Non-compete agreements	220,348	(165,657)
FCC licenses	2,452,368	(717,074)
Use of name	10,000	(6,335)
Other	922,114	(274,657)
	<u>\$ 8,968,360</u>	<u>\$ (4,389,605)</u>

Intangible assets consist of the following at December 31, 2008:

	<u>Gross Amount</u>	<u>Accumulated Amortization</u>
Customer lists	\$ 5,363,530	\$ (2,868,564)
Non-compete agreements	220,348	(150,977)
FCC licenses	2,452,368	(544,730)
Use of name	10,000	(5,669)
Other	922,114	(137,414)
	<u>\$ 8,968,360</u>	<u>\$ (3,707,354)</u>

NOTES TO FINANCIAL STATEMENTS

Note 2. Intangible Assets (Continued)

Aggregate amortization expense related to these intangible assets for the years ended December 31, 2009 and 2008 totaled \$682,251 and \$575,586, respectively. The following represents the total estimated amortization of intangible assets for each of the succeeding five years:

Year ending December 31:

2010	\$ 680,000
2011	680,000
2012	680,000
2013	660,000
2014	620,000

Note 3. Long-Term Debt

Long-term debt consists of the following at December 31:

	2009	2008
Note payable, Fifth Third Bank (a)	\$ 9,033,333	\$ 11,600,000
Line of credit, Fifth Third Bank (b)	--	--
Note payable, Fifth Third Bank (c)	7,211,588	8,641,116
	\$ 16,244,921	\$ 20,241,116

(a) On February 28, 2006, the Company issued \$14,200,000 in adjustable rate notes to restructure its debt. The notes were issued pursuant to a trust indenture between the Company and U.S. Bank National Association. Principal and interest on the notes are paid from funds drawn by the Trustee under an irrevocable letter of credit issued by Fifth Third Bank. The Notes are collateralized by the assets of the Company and mature on February 1, 2016. The Notes bear interest at a floating interest rate as determined by U.S. Bank National Association (4.60% at 12/31/08). However, the Company entered into an interest rate swap contract (original notional amount of \$14,200,000) that effectively converted its floating-rate debt into a fixed-rate of 8.02%.

On February 2, 2009, the Company refinanced the remaining \$10,200,000 of the note with a new note payable that matures November 1, 2013 and is collateralized by the assets of the Company. Interest on the note is floating at monthly LIBOR plus 1.75% as determined by Fifth Third Securities, Inc. (1.99% at 12/31/09). The Company also renegotiated the terms of the interest rate swap contract and entered into an interest rate swap contract (original notional amount of \$10,200,000) that effectively converts its floating-rate debt into a fixed rate of 7.46% (see Note 8). The note is payable in monthly installments of \$116,667 plus interest through February 1, 2012 and \$125,000 plus interest thereafter through November 1, 2013 with a balloon payment due at maturity.

NOTES TO FINANCIAL STATEMENTS

Note 3. Long-Term Debt (Continued)

(b) The line of credit agreement with Fifth Third Bank provides for borrowing up to \$2,000,000. The agreement carries a variable interest rate (3.24% at 12/31/09), is secured by the assets of the Company, and is due September 1, 2010.

(c) On September 1, 2008, the Company borrowed \$9,000,000 to restructure existing debt, purchase new equipment and upgrade existing equipment. The note is collateralized by the assets of the Company. Interest on the note is floating at monthly LIBOR plus 3.00% as determined by Fifth Third Securities, Inc (3.24% at 12/31/09). The Company also entered into an interest rate swap contract (original notional amount of \$9,000,000) that effectively converts its floating-rate debt into a fixed rate of 7.20% (see Note 8). The note is payable in monthly installments of \$107,143 plus interest with a balloon payment due on September 1, 2013.

Under terms of the Notes, the Company has also agreed, among other things, to maintain minimum debt service coverage and minimum debt to tangible worth ratios. The Company was in violation of certain of these covenants as of December 31, 2009; however, these violations have been waived by the noteholder.

Approximate maturities or payments required on principal under note payable agreements for each of the succeeding five years are as follows:

Year ending December 31:

2010	\$ 2,685,714
2011	2,685,714
2012	2,769,048
2013	8,104,445
2014	--

Note 4. Retirement Plans

The Company has a 401(k) plan for qualifying employees who have reached twenty-one years of age. Eligible employees are allowed to invest up to 15% of their compensation and the Company has agreed to match 100% of the first 3% of the employees' contribution and 50% of the employees' contribution between 3% and 5%. The Company contributed \$124,071 and \$112,235 in matching funds for its 401(k) plan during the years ended December 31, 2009 and 2008, respectively.

The Company also offers an employer sponsored retirement savings plan for qualified employees who have reached twenty-one years of age. The Company has agreed to contribute 9% of the eligible employee's compensation, plus an additional 5% of the original contribution.

The Company contributed \$421,669 and \$371,105 to its retirement savings plan during the years ended December 31, 2009 and 2008, respectively.

## NOTES TO FINANCIAL STATEMENTS

### Note 5. Related Party Transactions

The Company shares personnel with three of its members. The Company paid \$210,990 and \$157,825 for shared personnel during the years ended December 31, 2009 and 2008, respectively. The Company also leased offices and warehouse space from three members. The leases are for an unspecified length of time. The annual lease expense related to these leases was \$20,483 and \$20,301 during the years ended December 31, 2009 and 2008, respectively.

The Company incurred interconnection, telephone, cable and internet access charges from its members aggregating \$1,111,251 and \$1,047,239 for the years ended December 31, 2009 and 2008, respectively.

The Company leases two cellular tower sites from the officers and majority shareholders of a member. The annual lease expense related to these leases was \$2,400 for both years ended December 31, 2009 and 2008. The leases are for an unspecified length of time. The Company also pays part of an annual lease for sharing a tower with a member for an annual fee of \$450. In addition, the Company leases one other site from a company owned by a member. The annual lease expense related to this lease for the years ended December 31, 2009 and 2008 amounted to \$11,700 and \$3,600, respectively. The Company leases cellular tower sites from the parent company of one of its other members. The annual lease expense related to these leases was \$12,463 for both years ended December 31, 2009 and 2008. The leases are for five years with options to renew.

The Company pays commissions to its members for phone sales to customers. The amount of commissions paid to related parties during the years ended December 31, 2009 and 2008 was \$45,420 and \$51,872, respectively.

The Company pays fees to companies owned by its members for advertisement in telephone directories, television and on local billboards. The amount of advertising paid to related parties was \$54,522 and \$98,276 for the years ended December 31, 2009 and 2008, respectively.

### Note 6. Operating Leases

The Company has entered into operating leases with its members and other customers to provide fiber optic transmission capacity and ancillary services. The terms of these leases are for 15 years. Total rental income earned from these operating lease commitments included in the statements of income was \$1,194,626 and \$1,612,227 for the years ended December 31, 2009 and 2008, respectively. Rental income earned from the Company's members from these leases was \$799,054 and \$780,931 for the years ended December 31, 2009 and 2008, respectively.

NOTES TO FINANCIAL STATEMENTS

Note 6. Operating Leases (Continued)

Investments in operating leases are as follows at December 31:

	2009	2008
Fiber ring	\$ 7,675,975	\$ 7,429,057
Accumulated depreciation	(2,623,141)	(2,143,096)
	\$ 5,052,834	\$ 5,285,961

The future minimum rental payments expected to be received under these lease agreements for each of the succeeding five years are approximately \$1,200,000 each year.

The Company has also entered into lease agreements to obtain fiber optic transmission and digital microwave transmission services; and to rent retail office facilities. The terms of these leases are between 5 and 15 years. Total rental expense incurred from these operating lease commitments included in the statements of income was \$1,070,826 and \$805,277 for the years ended December 31, 2009 and 2008, respectively. Rental expense incurred from the Company's members from these leases was \$488,725 and \$291,461 for the years ended December 31, 2009 and 2008, respectively. The future minimum lease payments required under these lease agreements for each of the succeeding five years are approximately \$825,000 each year.

Note 7. Eligible Telecommunication Carrier

During 2005, the Company was granted Eligible Telecommunication Carrier (ETC) status by the Kentucky Public Service Commission. As an ETC, the Company receives funding from the federal Universal Service Fund (USF) to support the high cost of providing local telephone service in rural areas. USF payments amounted to \$7,045,378 and \$6,680,698 for 2009 and 2008, respectively.

Note 8. Derivative Financial Instruments, Interest Rate Swaps

The Company entered into two interest rate swap contracts with Fifth Third Bank for the purpose of converting floating-rate interest on its long-term debt to fixed rates. The interest rate swap effectively fixed \$10,200,000 at a rate of 7.46% until February 1, 2016 and fixed \$9,000,000 at a rate of 7.20% until September 1, 2013.

Under the swap contracts, the Company pays interest at 5.71% and 4.20% on the notional amounts and receives interest at LIBOR observed monthly (0.24% at December 31, 2009). The interest rate swaps qualify as, and are designated as, cash flow hedges. The swaps are designed to hedge the risk of changes in interest payments on the notes caused by changes in LIBOR. The notional amounts do not represent actual amounts exchanged by the parties, but instead represent the amounts on which the contracts are based.

## NOTES TO FINANCIAL STATEMENTS

### Note 8. Derivative Financial Instruments, Interest Rate Swaps (Continued)

The swaps were issued at market terms so that they had no fair value or carrying value at their inception. The carrying amount of the swaps has been adjusted to their fair value at the end of the year, which because of changes in forecasted levels of LIBOR, resulted in reporting a liability for the fair value of the future net payments forecasted under the swaps. The swap contracts permit settlement prior to maturity only through termination by the Company. The settlement amounts are determined based on forecasted changes in interest rates required under fixed and variable legs of the swaps. The Company believes the settlement amounts are the best representation of the fair value of the swaps and has adjusted their carrying amounts to the settlement amounts at the end of the year.

The carrying amounts of the swaps are classified as noncurrent since management does not intend to terminate the swaps during 2010. Since the critical terms of the swaps and the notes are approximately the same, the swaps are assumed to be effective as hedges, and none of the changes in fair values are included in income. Accordingly, all of the adjustment of the swaps' carrying amount is reported as other comprehensive income or loss in the accompanying statements of members' equity. If the swaps are terminated early, the corresponding carrying amount would be reclassified into earnings. The Company does not hold or issue interest rate swaps or other financial instruments for trading purposes.



*Jones, Nale & Mattingly PLC*

**INDEPENDENT AUDITOR'S REPORT ON  
THE SUPPLEMENTARY INFORMATION**

To the Members  
East Kentucky Network, LLC  
dba Appalachian Wireless  
Prestonsburg, Kentucky 41653

Our audit was made for the purpose of forming an opinion on the basic financial statements for the years ended December 31, 2009 and 2008, taken as a whole. The supplementary information shown on pages 15 and 16 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information for the years ended December 31, 2009 and 2008, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Jones, Nale & Mattingly PC*

Louisville, Kentucky  
February 26, 2010

EAST KENTUCKY NETWORK, LLC  
DBA APPALACHIAN WIRELESS

STATEMENTS OF INCOME DETAIL

	Year Ended December 31, 2009				
	RSA #9 Appalachian	RSA #10 Mountaineer	Fiber Ring	PCS	Totals
<b>REVENUE</b>					
Retail	\$27,227,441	\$ 17,352,651	\$ --	\$ 1,545,357	\$46,125,449
Roamer	12,256,698	4,387,287	--	133,804	16,777,789
Long distance	119,708	72,756	--	3,290	195,754
Paging	240,506	247,994	--	--	488,500
Equipment sales, cellular	1,363,757	751,079	--	84,125	2,198,961
Equipment sales, paging	66,723	27,219	--	--	93,942
Other	1,384,703	925,590	1,155,365	184,156	3,649,814
Total revenue	<u>\$42,659,536</u>	<u>\$ 23,764,576</u>	<u>\$ 1,155,365</u>	<u>\$ 1,950,732</u>	<u>\$69,530,209</u>
<b>EXPENSES</b>					
Cost of cellular service	\$ 8,635,517	\$ 5,825,794	\$ --	\$ 762,594	\$15,223,905
Cost of paging service	160,498	178,553	--	--	339,051
Cost of equipment sales, cellular	7,855,184	4,947,332	--	705,994	13,508,510
Cost of equipment sales, paging	35,917	21,106	--	--	57,023
Customer service	862,503	478,603	--	23,490	1,364,596
Billing	1,037,351	589,188	--	30,535	1,657,074
Selling	2,288,986	1,872,857	--	26,370	4,188,213
Maintenance	1,533,903	830,286	56,424	175,050	2,595,663
Utilities	490,919	289,019	42,536	77,947	900,421
Bad debts	232,507	267,438	--	(26,311)	473,634
Cell site rental	102,587	83,076	--	58,360	244,023
Taxes and licenses	222,113	145,361	55,166	23,842	446,482
Advertising	2,527,103	1,056,900	--	231,725	3,815,728
General and administrative	2,173,592	1,145,620	233,211	113,906	3,666,329
Occupancy	138,973	85,094	383,360	25,383	632,810
Depreciation	4,582,025	3,286,291	747,918	488,861	9,105,095
Amortization	288,965	438,924	32,032	79,625	839,546
Total expenses	<u>\$33,168,643</u>	<u>\$ 21,541,442</u>	<u>\$ 1,550,647</u>	<u>\$ 2,797,371</u>	<u>\$59,058,103</u>
Income from operations	<u>\$ 9,490,893</u>	<u>\$ 2,223,134</u>	<u>\$ (395,282)</u>	<u>\$ (846,639)</u>	<u>\$10,472,106</u>
<b>OTHER INCOME (EXPENSE)</b>					
Interest income	\$ 17,504	\$ 10,619	\$ 2,334	\$ 583	\$ 31,040
Interest expense	(903,773)	(498,651)	--	(22,560)	(1,424,984)
Universal Service Fund income	3,522,689	3,522,689	--	--	7,045,378
	<u>\$ 2,636,420</u>	<u>\$ 3,034,657</u>	<u>\$ 2,334</u>	<u>\$ (21,977)</u>	<u>\$ 5,651,434</u>
Net income (loss)	<u>\$12,127,313</u>	<u>\$ 5,257,791</u>	<u>\$ (392,948)</u>	<u>\$ (868,616)</u>	<u>\$16,123,540</u>



Year Ended December 31, 2008

RSA #9	RSA #10	Fiber		
Appalachian	Mountaineer	Ring	PCS	Totals
\$24,574,346	\$15,406,704	\$ --	\$ 226,948	\$40,207,998
9,424,434	3,125,657	--	42,024	12,592,115
131,994	81,285	--	1,017	214,296
259,547	307,130	--	--	566,677
1,492,348	689,288	--	67,303	2,248,939
20,869	14,908	--	--	35,777
1,005,916	697,829	1,559,075	36,939	3,299,759
<u>\$36,909,454</u>	<u>\$20,322,801</u>	<u>\$ 1,559,075</u>	<u>\$ 374,231</u>	<u>\$59,165,561</u>
\$ 7,464,380	\$ 5,305,238	\$ --	\$ 92,285	\$12,861,903
148,346	184,040	--	--	332,386
6,730,198	4,590,695	--	335,474	11,656,367
24,309	32,396	--	--	56,705
813,941	496,602	--	2,490	1,313,033
873,600	505,623	--	3,898	1,383,121
2,134,116	1,595,634	--	1,455	3,731,205
1,035,157	697,495	39,468	66,820	1,838,940
391,910	254,462	43,330	21,744	711,446
491,883	302,032	--	8,243	802,158
117,969	81,421	--	15,230	214,620
576,748	250,317	121,722	16,540	965,327
2,084,232	771,388	--	112,570	2,968,190
1,802,346	1,056,315	226,927	20,792	3,106,380
102,054	80,815	208,497	12,434	403,800
3,939,105	2,891,653	725,234	147,024	7,703,016
226,578	415,142	22,551	29,113	693,384
<u>\$28,956,872</u>	<u>\$19,511,268</u>	<u>\$ 1,387,729</u>	<u>\$ 886,112</u>	<u>\$50,741,981</u>
\$ 7,952,582	\$ 811,533	\$ 171,346	\$ (511,881)	\$ 8,423,580
\$ 21,154	\$ 31,375	\$ 3,331	\$ 163	\$ 56,023
(783,129)	(455,419)	--	(3,957)	(1,242,505)
3,340,349	3,340,349	--	--	6,680,698
<u>\$ 2,578,374</u>	<u>\$ 2,916,305</u>	<u>\$ 3,331</u>	<u>\$ (3,794)</u>	<u>\$ 5,494,216</u>
<u>\$10,530,956</u>	<u>\$ 3,727,838</u>	<u>\$ 174,677</u>	<u>\$ (515,675)</u>	<u>\$13,917,796</u>

**EAST KENTUCKY NETWORK, LLC  
DBA APPALACHIAN WIRELESS**

**STATEMENTS OF INCOME DETAIL (Continued)**

	Year Ended December 31, 2009				
	RSA #9 Appalachian	RSA #10 Mountaineer	Fiber Ring	PCS	Totals
<b>COST OF CELLULAR SERVICE</b>					
Roamer pass through charges	\$ 5,678,216	\$ 4,262,977	\$ --	\$ 705,222	\$10,646,415
SCB interconnection	386,915	225,033	--	8,736	620,684
Local charges	2,483,054	1,394,735	--	76,935	3,954,724
Harold interconnection	147,008	--	--	--	147,008
Wheelwright interconnection	42,154	--	--	--	42,154
GTE interconnection	82,327	80,758	--	6,213	169,298
West Liberty interconnection	120,855	--	--	--	120,855
Chapman interconnection	100,023	--	--	--	100,023
Salyersville interconnection	280,492	--	--	--	280,492
Bluefield interconnection	--	--	--	--	--
Roanoke interconnection	9,504	--	--	--	9,504
Interconnect revenue	(804,398)	(509,320)	--	(36,485)	(1,350,203)
Fiber ring interconnection	91,884	113,896	--	1,973	207,753
TGTC interconnection and DS3 charges	--	160,480	--	--	160,480
PRTC interconnection	--	97,235	--	--	97,235
West Virginia interconnection	17,483	--	--	--	17,483
	<u>\$ 8,635,517</u>	<u>\$ 5,825,794</u>	<u>\$ --</u>	<u>\$ 762,594</u>	<u>\$15,223,905</u>
<b>COST OF PAGING SERVICE</b>					
Paging maintenance	\$ 6,700	\$ 3,698	\$ --	\$ --	\$ 10,398
Salaries and benefits	32,294	48,441	--	--	80,735
Tower rent	40,841	51,413	--	--	92,254
Telephone expense	--	329	--	--	329
Expanded coverage costs	--	1,596	--	--	1,596
Interconnection charges	35,280	29,613	--	--	64,893
Office and billing expense	42,935	30,372	--	--	73,307
Other	2,448	13,091	--	--	15,539
	<u>\$ 160,498</u>	<u>\$ 178,553</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 339,051</u>

## Directions to Cornettsville Site

Beginning at the Perry County Courthouse, in Hazard Ky.

Take Main Street .1 miles to Hwy 15 South.

Turn onto Hwy 15 South and continue for 5.2 miles to the Jct. of Hwy. 15 and 7.

Turn onto Hwy. 7 and continue 11.2 miles to Bull Creek Rd. on your left.

Turn onto Bull Creek Rd. for 400' to Taylor Pratt Ln.

Take Taylor Pratt Ln. 500' to New Tribe Rd.

Take New Tribe Rd. up the hill .7 miles to black gate across road.

After the gate, take the first road that turns right and continue for .1 miles

Road stops at site.

GPS N37-08-19.6 x W83-04-42.1

Directions were done by

Marty Thacker

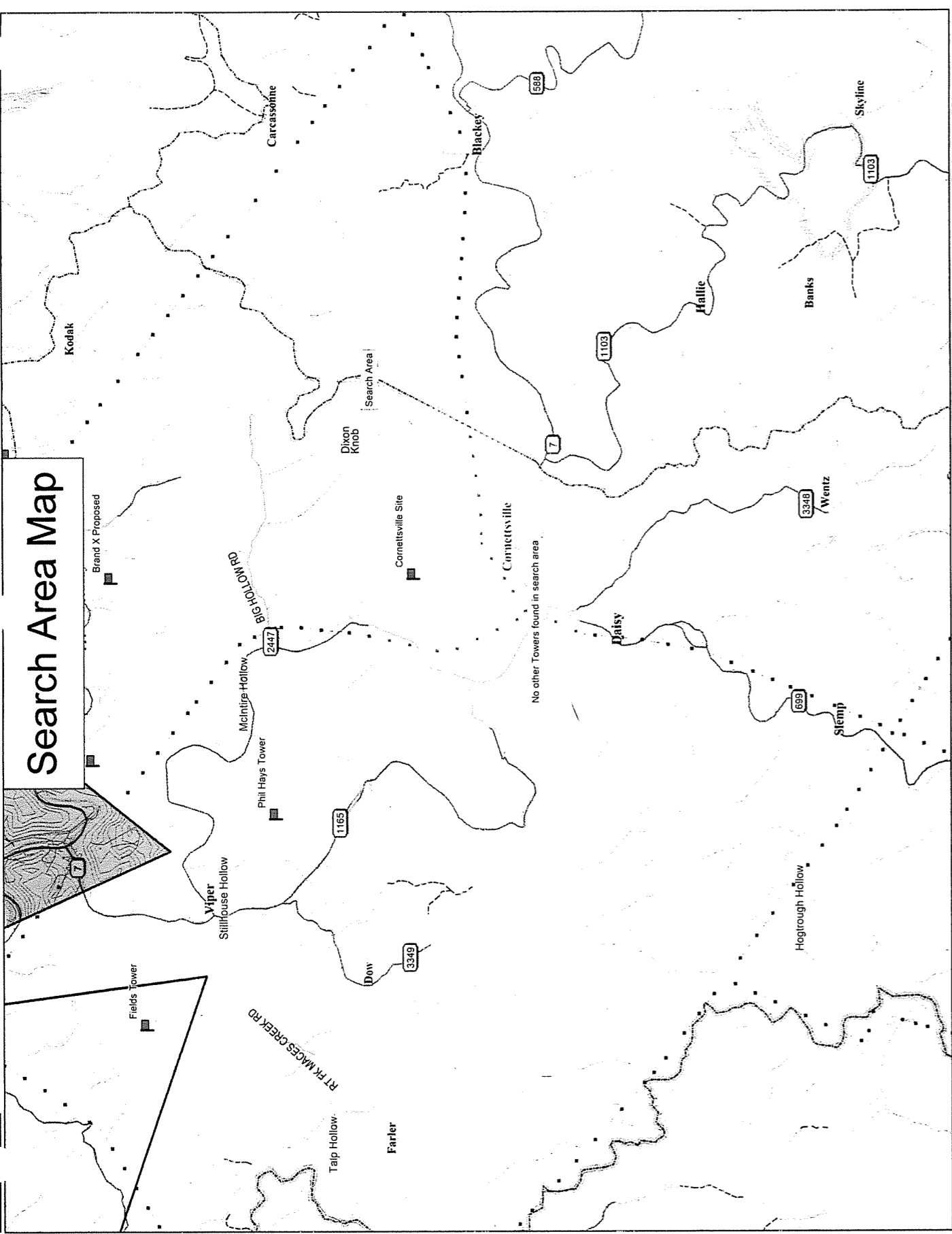
Appalachian Wireless

606-634-9505 Cell phone

606-785-2203 Office

[m.thacker@tgtel.com](mailto:m.thacker@tgtel.com) E-mail

# Search Area Map



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www.delorme.com

Scale 1 : 93,750  
1" = 1.48 mi  
Data Zoom 11-1



**LEASE AGREEMENT**

THIS LEASE AGREEMENT (the "Lease") is made and entered into this the 10<sup>th</sup> day of September, 2007 by and between **Joshua's Dream Foundation, Inc.**, a charitable corporation having a mailing address of P.O. Box 642, Viper, Kentucky 41774, hereinafter referred to as "Lessor"; and **East Kentucky Network, LLC, dba Appalachian Wireless**, having a mailing address of 101 Technology Trail, Ivel, Kentucky 41642, hereinafter referred to as "Lessee".

**WITNESSETH:**

That for and in consideration of the rents and other consideration exchanged by and between Lessor and Lessee, and subject to the terms and conditions hereinafter specified, Lessor does hereby lease, let and demise unto Lessee, its successors and assigns, the following described premises (the "Leased Premises"):

Being the same property described in Exhibit "A" attached hereto and made a part hereof by reference and as further shown on the plat attached hereto as Exhibit "B" dated 8/16/07, 2007, prepared by James W. Caudill, Licensed Professional Land Surveyor.

Source of Title: Being a part of the same property conveyed by Hazvest Corporation to Joshua's Dream Foundation, Inc. by deed dated December 20, 2002 and recorded at Deed Book 297, page 379 in the Perry County Clerk's Office.

**Easement Rights:** For purposes of ingress to and egress from the Leased Premises, Lessor grants unto Lessee the nonexclusive right to use the existing roadways located upon the remaining portion of Lessor's property as described in Deed Book 297, page 379 ("Lessor's Remaining Property") or existing roadways which Lessor controls. In the event it becomes necessary for Lessee to relocate any portion of the existing roadways or to construct new roadways in order to access the Leased Premises, it is understood and agreed that: (a) Lessee shall bear all costs of such relocation and/or construction; (b) the location of the new roadways, or portions thereof, shall be mutually agreed to by Lessor and Lessee; and (c) Lessor shall have the right to use the relocated

roadways so long as such use does not interfere with Lessee's use thereof or pose a threat to the security of Lessee's operations or to the Leased Premises. Lessee shall assist in maintaining those portions of the existing roadways which it uses to access the Leased Premises as well as any new roadways which Lessee may construct. Lessor further grants unto Lessee a right of way and easement to construct, maintain and operate telephone and power transmission lines over and across Lessor's Remaining Property for service of the tower and related facilities which are to be erected upon the Leased Premises, said lines to be located where feasible along the existing roadways accessing the Leased Premises. Lessor shall have input as to the location of the telephone and power transmission lines in the event Lessee changes the location of its access road. Lessee shall have the right to trim or remove trees, limbs or underbrush which may interfere with its access road or its telephone and power transmission lines.

This lease is made on the following terms and conditions:

1. **Term of Lease.** The term of this Lease shall be for a period of twenty-five (25) years from and after the date hereof (the "Initial Term"), with Lessee having the exclusive option of extending this Lease for an additional term of twenty-five (25) years (the "Additional Term"). In the event that Lessee desires to extend the Lease for the Additional Term, it shall give Lessor notice of such intention in writing at least six (6) months prior to the expiration of the Initial Term.

2. **Cancellation.** Lessee, in its sole discretion, shall have the right to terminate this Lease and abandon the Leased Premises at any time upon six (6) months written notice to Lessor of Lessee's intention to do so. In the event of termination by Lessee, Lessor shall have no obligation to refund all or any portion of the annual rental payment that has already been paid by Lessee. Upon termination of this Lease, Lessee shall have one hundred eighty (180) days thereafter to remove all structures it has erected upon the Leased Premises and to reclaim the Leased Premises. If, after notice of termination has been provided to Lessor by Lessee, a new annual rental payment becomes due before the expiration of the aforesaid one hundred eighty (180) day period, then in that event, Lessee shall only be obligated to pay unto Lessor rental on a monthly basis (being calculated as 1/12 of the annual rental then due) for the months which Lessee will actually occupy the Leased Premises.

3. **Rental – Initial Term.** As rental for the Leased Premises during the Initial Term, Lessee shall pay to Lessor, annually and in advance, the sum of Six Thousand Dollars (\$6,000.00) beginning on the date of execution of this Lease, provided however, that after the fifth year of the Initial Term, Lessor shall receive the following increases in the annual rental:

(a) For lease years six through ten, Lessee shall pay Lessor annually the sum of \$6,300.00 (which sum represents a 5% increase over the rental paid during years one through five of the Lease);

(b) For lease years eleven through fifteen, Lessee shall pay Lessor annually the sum of \$6,615.00 (which sum represents a 5% increase over the rental paid during years six through ten of the Lease);

(c) For lease years sixteen through twenty, Lessee shall pay Lessor annually the sum of \$6,945.75 (which sum represents a 5% increase over the rental paid during years eleven through fifteen of the Lease); and

(d) For lease years twenty-one through twenty-five, Lessee shall pay Lessor annually the sum of \$7,293.03 (which sum represents a 5% increase over the rental paid during years sixteen through twenty of the Lease).

4. **Rental – Additional Term.** In the event this Lease is extended for the Additional Term (being twenty-five (25) years), Lessee shall pay Lessor, annually and in advance beginning on the twenty-sixth year anniversary date of the execution of this Lease, the sum of Eight Thousand Seven Hundred Fifty-One Dollars and Sixty-Three Cents (\$8,751.63) (which sum represents a 20% increase in the annual rental paid during years twenty-one through twenty-five of the Initial Term), provided however, that after the fifth year of the Additional Term, Lessor shall receive the following increases in the annual rental:

(a) For lease years six through ten of the Additional Term, Lessee shall pay Lessor annually the sum of \$9,189.21 (which sum represents a 5% increase over the rental paid during years one through five of the Additional Term of the Lease);

(b) For lease years eleven through fifteen of the Additional Term, Lessee shall pay Lessor annually the sum of \$9,648.67 (which sum represents a 5% increase over the rental paid during years six through ten of the Additional Term of the Lease);



(c) For lease years sixteen through twenty of the Additional Term, Lessee shall pay Lessor annually the sum of \$10,131.10 (which sum represents a 5% increase over the rental paid during years eleven through fifteen of the Additional Term of the Lease); and

(d) For lease years twenty-one through twenty-five of the Additional Term, Lessee shall pay Lessor annually the sum of \$10,637.65 (which sum represents a 5% increase over the rental paid during years sixteen through twenty of the Additional Term of the Lease).

5. **Use of Premises.** Lessee shall have the exclusive rights and privileges of the use of the Leased Premises for the purpose of constructing buildings, towers and other related facilities, including but not limited to, telephone lines, coaxial lines, power lines and the installation of any and all other equipment deemed necessary by Lessee to receive and transmit any and all electronic signals in the rural service area now or hereafter to be served by the facility. The parties hereto recognize that technology in the communications field is advancing at a rapid rate and that this site may be used for any other purpose now in the developmental stage or which may later be developed in the communications industry to carry out the objectives of Lessee, that being to transmit and receive signals and communications by wire, fiber optics, radio and satellite. Lessee shall not use the Leased Premises for purposes other than maintenance or use as a site for communications by the use of methods now or hereafter known.

Lessee shall gate its access road in a manner to best prevent trespassing and shall keep the gate locked with the understanding that Lessee shall be provided with a working key to the lock. Lessee shall not allow any persons not associated with its business operations to have access to the Leased Premises or to Lessee's access road.

6. **Indemnity.** Lessee agrees to indemnify and save harmless Lessor from any liability by virtue of Lessee's activities upon the Leased Premises or in the exercise of any rights and privileges granted herein, specifically including but not limited to, any claim, loss, fine, penalty and costs (including reasonable attorney's fees) arising out of any violation of any environmental laws or regulations. This provision shall survive the termination of the Lease. Lessee shall maintain and keep in full force and effect public liability and property damage insurance in an amount of at least One Million Dollars

(\$1,000,000.00). Lessor shall not be held liable for personal injury or property damage on the Leased Premises whether or not associated with Lessee.

7. **Miscellaneous Provisions.** Lessee shall keep and maintain the Leased Premises in a neat and orderly manner and clear and free of litter.

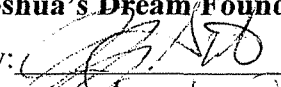
8. **Notices.** All notices, demands or other writings in this Lease required or permitted to be given hereunder shall be made in writing and deposited in the United States Mail, certified and postage prepaid, to Lessor and Lessee at the addresses stated in the preamble to this Lease. Such addresses may be changed by written notice as provided herein.

9. **Successors and Assigns.** This Lease shall be binding upon the parties hereto, their heirs, successors, executors, and assigns.

**IN TESTIMONY WHEREOF,** witness the signatures of the parties hereto this the day and year first above written.

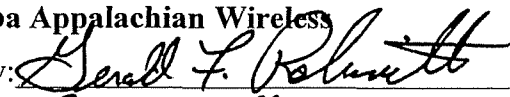
**LESSOR:**

**Joshua's Dream Foundation, Inc.**

By:   
Its: Executive Director

**LESSEE:**

**East Kentucky Network, LLC  
dba Appalachian Wireless**

By:   
Its: GENERAL MANAGER

STATE OF KENTUCKY

COUNTY OF Perry

The foregoing Lease Agreement was this 10<sup>th</sup> day of September, 2007, produced and acknowledged before me by Joshua's Dream Foundation, Inc. by Jeff Coats, its Executive Director.

Dennis Shepherd  
Notary Public  
Commission Expires: oct:22-2009

STATE OF KENTUCKY

COUNTY OF Floyd

The foregoing Lease Agreement was this 7<sup>th</sup> day of September, 2007, produced and acknowledged before me by East Kentucky Network, LLC, dba Appalachian Wireless, by Gerald Robinette, its General Manager/CEO.

Teresa M. Opel  
Notary Public  
Commission Expires: June 22, 2009

This instrument prepared by:

Robin J. Collins  
ROBIN JOHNSON COLLINS  
ATTORNEY AT LAW  
P.O. BOX 176  
LACKEY, KENTUCKY 41643  
(606)358-4493

EKN, Joshua's Dream, Lease (v.1)

"Exhibit A"

**LEASE LOT DESCRIPTION**  
Property of  
JOSHUA'S DREAM FOUNDATION, INC.  
P.O. Box 642, VIPER, KY.  
North Fork of the Kentucky River  
Near Cornettsville in Perry County  
August 16, 2007

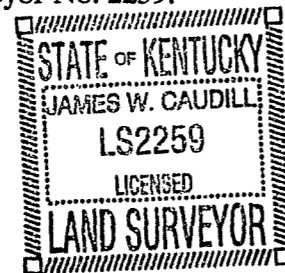
A portion of the property lying within the tract of land located on the North Fork of Kentucky River in Perry County Kentucky, near the community of Cornettsville. Being a part of the same land conveyed by deed from Hazvest Corporation to Joshua's Dream Foundation, Inc., and recorded in Deed Book 297 Page 379 of the Perry County Court House.

Unless stated otherwise, any monument referred to herein as "set iron pin with cap" is a set ½" diameter rebar, at least eighteen (18") in length, with a plastic cap stamped "LS-2259". All bearings stated herein are referred to the NAD83 KY South State Plane Coordinate System. This survey performed by James W. Caudill, LS2259, on August 16, 2007.

Lease Lot 1

Beginning on a found iron pin with cap marked PLS 2173 on top of spur ridge and near the east side of the flat, said point being South 75 deg 42 min 15 sec West, 37.63 feet from a found 2" aluminum cap on steel rebar marked pls 2173 over the edge of the cliff and being a point on the line of Tract 1 of Hazvest Corporation (deed book 286 page 210); thence running with the line Tract 1 across the flat South 75 deg 42 min 15 sec West, 129.81 feet to a set iron pin with cap marked pls2259, said point being North 75 deg 42 min 15 sec East, 85.47 feet from a found iron pin with cap marked pls2173 at the edge of the clearing; thence leaving the line of Tract 1 and severing the land of Joshua's Dream Foundation, Inc. five calls; North 15 deg 52 min 56 sec East, 84.85 feet to a set iron pin with cap marked pls 2259, North 33 deg 08 min 19 sec East, 96.05 feet to a set iron pin with cap marked pls 2259, South 85 deg 07 min 45 sec East, 78.94 feet to a set iron pin with cap marked pls 2259 near the cliff line, South 15 deg 09 min 45 sec West, 73.61 feet to a set iron pin with cap marked pls 2259, South 10 deg 09 min 20 sec West, 52.78 feet to the beginning. Containing a calculated area of 14932 sq ft or 0.34 acres.

This survey was performed on August 16, 2007 by James W. Caudill, a Kentucky Licensed Professional Land Surveyor No. 2259.



*James W. Caudill*  
James W. Caudill, PLS #2259



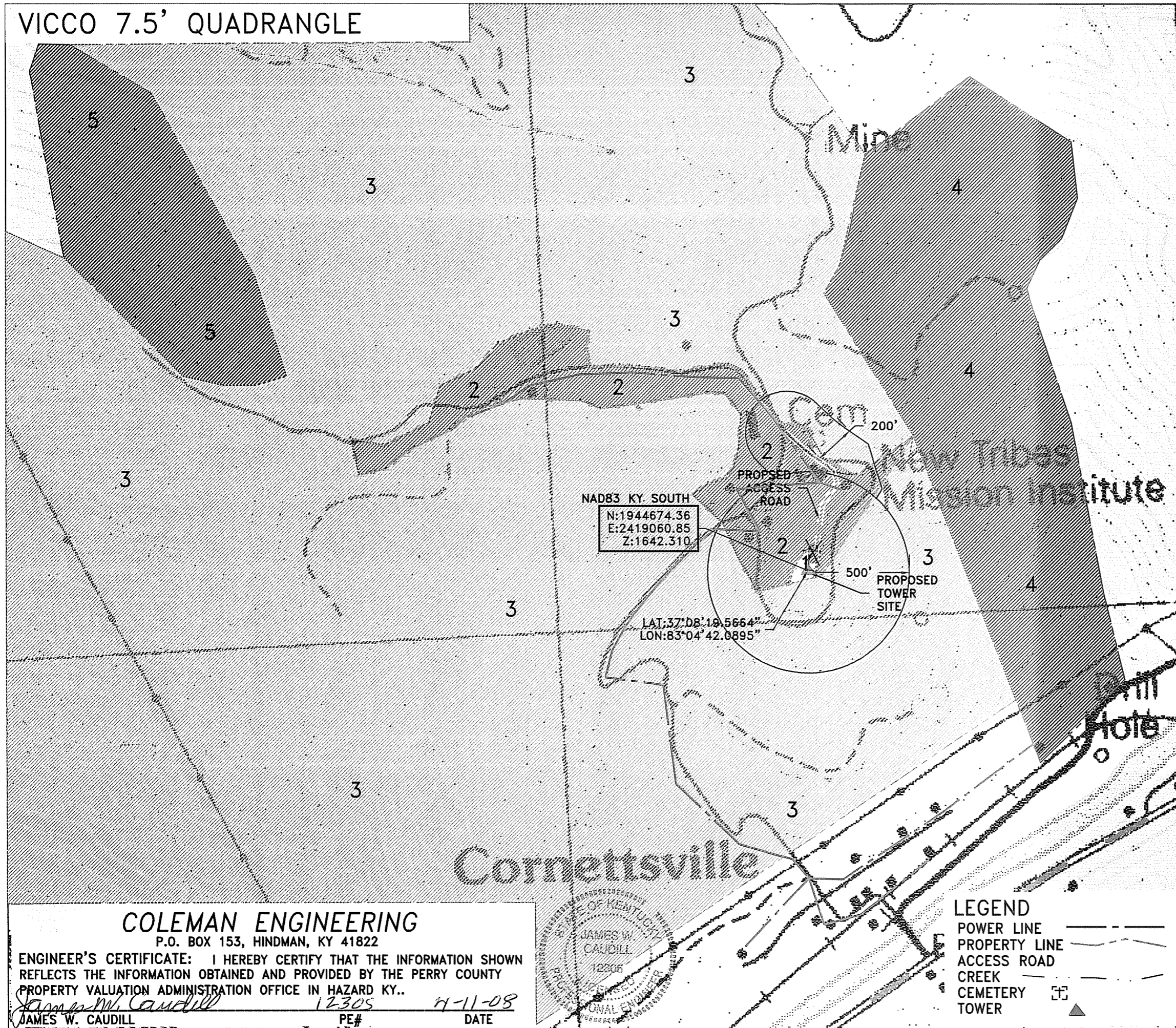


VICCO 7.5' QUADRANGLE

APPALACHIAN WIRELESS  
 101 TECHNOLOGY TRAIL  
 IVEL, KY. 41642  
 PROPOSED TOWER SITE  
 CORNETTSVILLE IN PERRY CO., KY

LAND OWNERS:

- 1 APPALACHIAN WIRELESS (LEASE)  
101 TECHNOLOGY TRAIL  
IVEL, KY. 41642
- 2 JOSHUA'S DREAM FOUNDATION INC  
PO BOX 642  
VIPER, KY. 41774
- 3 HAZVEST CORPORATION  
941 NORTH MAIN STREET  
P.O. BOX 927  
HAZARD, KY 41701
- 4 CORNETT GREGORY C & PAMELA J  
3058 UPPER RIVER RD.  
VIPER, KY 41774
- 5 BLAIR IRENE ROSS  
9466 KY HWY 7  
VIPER, KY 41774



04/11/08

SCALE 1" = 500'



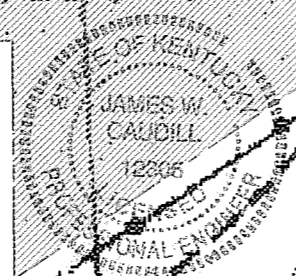
MAP SHOWING STRUCTURES & LAND OWNERS  
 WITHIN 500 FT OF THE PROPOSED TOWER

**COLEMAN ENGINEERING**

P.O. BOX 153, HINDMAN, KY 41822

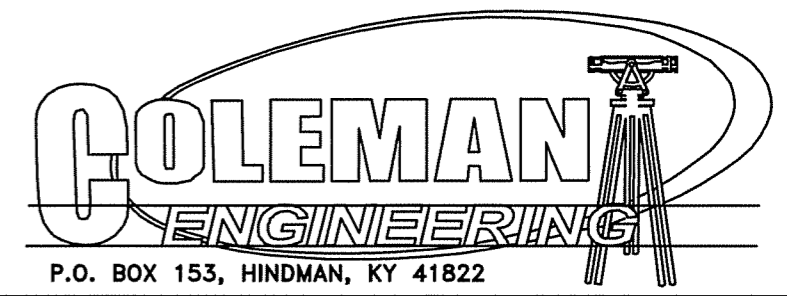
ENGINEER'S CERTIFICATE: I HEREBY CERTIFY THAT THE INFORMATION SHOWN  
 REFLECTS THE INFORMATION OBTAINED AND PROVIDED BY THE PERRY COUNTY  
 PROPERTY VALUATION ADMINISTRATION OFFICE IN HAZARD KY..

*James W. Caudill* 12305 11-11-08  
 JAMES W. CAUDILL PE# DATE



LEGEND

- POWER LINE ————
- PROPERTY LINE - - - - -
- ACCESS ROAD ————
- CREEK ————
- CEMETERY ☒
- TOWER ▲

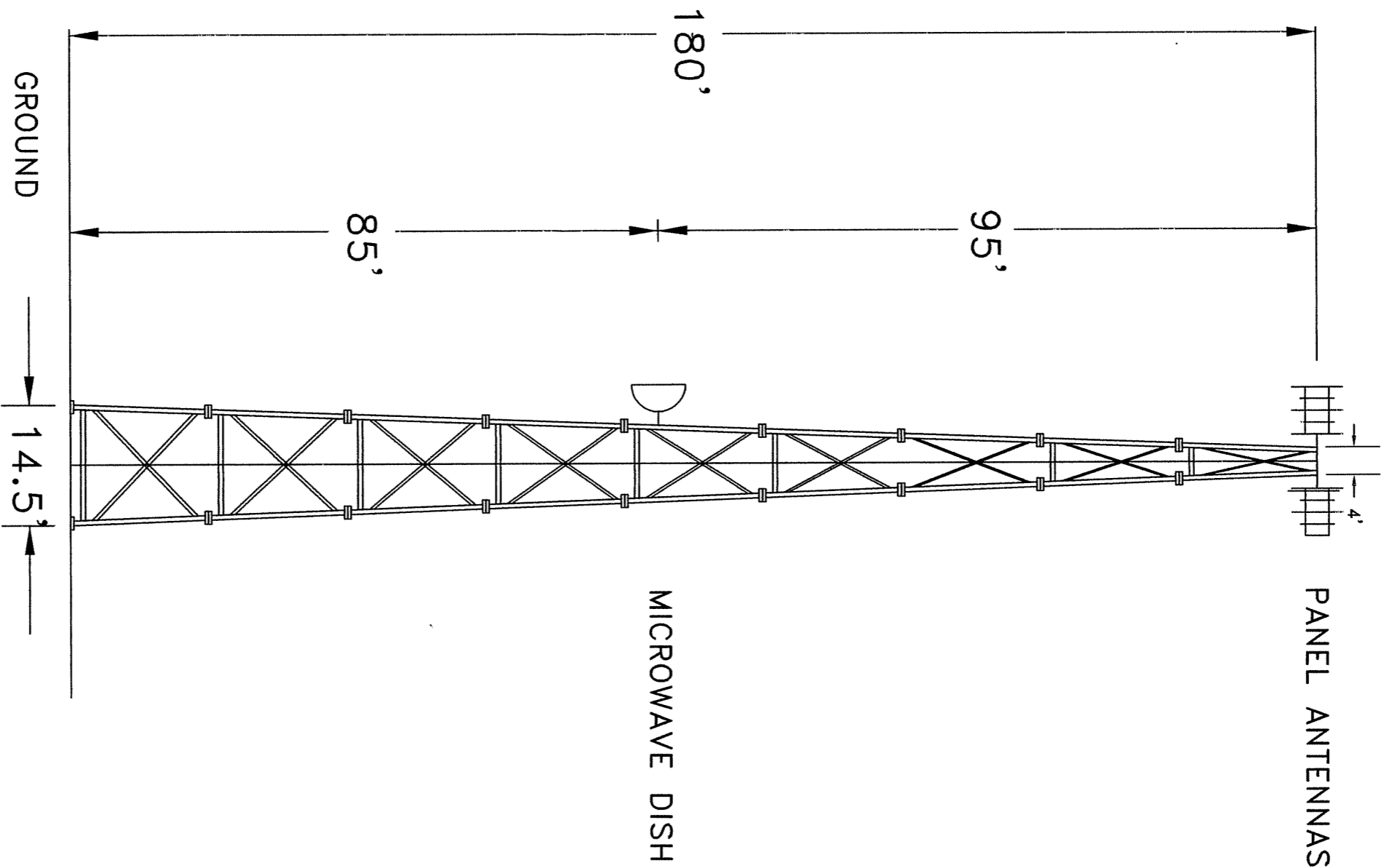


P.O. BOX 153, HINDMAN, KY 41822





APPALACHIAN WIRELESS  
101 TECHNOLOGY TRAIL  
IVEL, KY. 41642  
PROPOSED TOWER SITE  
JOHNSUA'S DREAM FOUNDATION TRACT  
NEAR CORNETTSVILLE IN PERRY COUNTY



GRAPHIC SCALE

THIS IS A VERTICAL PROFILE SKETCH OF THE TOWER INDICATING THE PROPOSED ANTENNA AND DISH ELEVATIONS. NO DESIGN CRITERIA WAS CONSIDERED IN THE PREPARATION OF THIS DRAWING.

02/09/10

VERTICAL PROFILE SKETCH

*James W. Caudill*  
JAMES W. CAUDILL P.E.

12305  
2-9-10  
DATE

